



QUARTERLY STATEMENT

AS OF JUNE 30, 2010  
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code	00380	00380	NAIC Company Code	53007	Employer's ID Number	53-0078070
	(Current Period)	(Prior Period)				
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [ ]		Property/Casualty [ ]	Hospital, Medical & Dental Service or Indemnity [ X ]		
	Dental Service Corporation [ ]		Vision Service Corporation [ ]	Health Maintenance Organization [ ]		
	Other [ ]			Is HMO, Federally Qualified? Yes [ ] No [ ]		
Incorporated/Organized	08/11/1939		Commenced Business	03/15/1934		
Statutory Home Office	840 First Street NE		Washington, DC 20065			
	(Street and Number)		(City or Town, State and Zip Code)			
Main Administrative Office	10455 Mill Run Circle		Owings Mills, MD 21117	410-581-3000		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	10455 Mill Run Circle		Owings Mills, MD 21117			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	10455 Mill Run Circle		Owings Mills, MD 21117	410-998-7011		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.carefirst.com					
Statutory Statement Contact	William Vincent Stack		410-998-7011			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	bill.stack@carefirst.com		410-998-6850			
	(E-mail Address)		(FAX Number)			

OFFICERS

Name	Title	Name	Title
Chester Emerson Burrell	President and Chief Executive Officer	John Anthony Picciotto	Corp.Secretary, Exec. VP & Gen. Counsel
Jeanne Ann Kennedy	Corp. Treasurer & VP		

OTHER OFFICERS

Gregory Allen Devou	EVP, Chief Mktg Officer	Gregory Mark Chaney	EVP, CFO
Michael Thomas Avotins #	SVP, ASU - Large Groups	Michael Bruce Edwards	SVP, Networks Mgmt
Gwendolyn Denise Skillern	SVP, General Auditor	Fred Adrian Walton Plumb	SVP, ASU-FEP
Michael John Felber	SVP, Sales	Rita Ann Costello	SVP, Strategic Marketing
Maria Harris Tildon	SVP, Public Policy	Jon Paul Shematek, M.D.	SVP, Chief Medical Officer
Kenny Waitem Kan	SVP, Chief Actuary	Andrew Francis Sullivan	SVP, ASU-Consumer Direct
	SVP, Strategic Managed Care Initiatives		
Kevin Charles O'Neill		Steven Jon Margolis	SVP, ASU-Small & Medium Groups
Gregory James Maguire #	SVP, Technical & Ops Support		

DIRECTORS OR TRUSTEES

Elizabeth Oliver-Farrow	James Wallace	Linda Washington Cropp	Larry Donovan Bailey
Carlos Mario Rodriquez	Robert Marcellus Willis	Nathaniel Thomas Connally	Faye Ford Fields
Natalie Olivia Ludaway	Robert Lee Sloan	Ralph John Rohner	

State of Maryland ss  
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chester Emerson Burrell President & Chief Executive Officer	John Anthony Picciotto Corp Secretary, Exec VP & Gen Counsel	Jeanne Ann Kennedy VP & Corp Treasurer
a. Is this an original filing?		Yes [ X ] No [ ]
b. If no:		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this  
day of ,  
,

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	747,462,934	0	747,462,934	709,120,314
2. Stocks:				
2.1 Preferred stocks .....	3,423,015	0	3,423,015	4,626,208
2.2 Common stocks .....	296,721,635	0	296,721,635	266,642,938
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....(62,081,109) ), cash equivalents (\$ .....1,149,984 ) and short-term investments (\$ .....95,741,205 ) .....	34,810,079	0	34,810,079	(4,915,652)
6. Contract loans (including \$ .....premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	
8. Other invested assets .....	10,303,988	166,667	10,137,321	10,337,765
9. Receivables for securities .....	0	0	0	0
10. Aggregate write-ins for invested assets .....	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	1,092,721,651	166,667	1,092,554,984	985,811,573
12. Title plants less \$ .....charged off (for Title insurers only) .....	0	0	0	0
13. Investment income due and accrued .....	5,886,829	0	5,886,829	6,338,681
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....	205,990,219	3,522,499	202,467,720	233,636,800
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....	0	0	0	0
14.3 Accrued retrospective premiums .....	0	0	0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers .....	4,892,042	0	4,892,042	24,725,173
15.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
15.3 Other amounts receivable under reinsurance contracts .....	785,271	0	785,271	835,899
16. Amounts receivable relating to uninsured plans .....	32,535,459	8,167,565	24,367,894	40,869,627
17.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	8,257,680
17.2 Net deferred tax asset .....	49,831,671	33,092,188	16,739,483	17,326,378
18. Guaranty funds receivable or on deposit .....	0	0	0	0
19. Electronic data processing equipment and software .....	94,781,829	93,182,278	1,599,551	1,869,986
20. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	6,496,800	6,496,800	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
22. Receivables from parent, subsidiaries and affiliates .....	6,582,991	0	6,582,991	4,559,156
23. Health care (\$ .....48,653,497 ) and other amounts receivable .....	558,905,253	4,793,606	554,111,647	560,908,988
24. Aggregate write-ins for other than invested assets .....	80,413,546	79,003,956	1,409,590	2,414,019
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	2,139,823,561	228,425,559	1,911,398,002	1,887,553,960
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
27. Total (Lines 25 and 26) .....	2,139,823,561	228,425,559	1,911,398,002	1,887,553,960
<b>DETAILS OF WRITE-INS</b>				
1001. ....	0	0	0	0
1002. ....	0	0	0	0
1003. ....	0	0	0	0
1098. Summary of remaining write-ins for Line 10 from overflow page .....	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above) .....	0	0	0	0
2401. Other Assets .....	1,409,590	0	1,409,590	2,414,019
2402. Other Assets Non-Admitted .....	25,923,736	25,923,736	0	0
2403. Pension .....	53,080,220	53,080,220	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	80,413,546	79,003,956	1,409,590	2,414,019

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....34,202,958 reinsurance ceded).....	293,120,202	53,263	293,173,465	252,990,782
2. Accrued medical incentive pool and bonus amounts .....	0	0	0	0
3. Unpaid claims adjustment expenses .....	10,752,046	1,954	10,754,000	10,604,000
4. Aggregate health policy reserves .....	505,458,151	0	505,458,151	506,185,845
5. Aggregate life policy reserves .....	0	0	0	0
6. Property/casualty unearned premium reserve .....	0	0	0	0
7. Aggregate health claim reserves .....	0	0	0	0
8. Premiums received in advance .....	72,380,808	0	72,380,808	65,643,239
9. General expenses due or accrued .....	85,250,902	0	85,250,902	103,086,984
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....2,712,387 on realized gains (losses)) .....	11,651,996	0	11,651,996	0
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable .....	25,087,961	0	25,087,961	49,526,217
12. Amounts withheld or retained for the account of others .....	36,473,230	0	36,473,230	55,780,751
13. Remittances and items not allocated .....	2,391,736		2,391,736	9,692,451
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates .....	55,156,520	0	55,156,520	38,830,160
16. Derivatives.....	0	0	0	
17. Payable for securities .....	0	0	0	0
18. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers and \$ .....unauthorized reinsurers) .....	0	0	0	0
19. Reinsurance in unauthorized companies .....	0	0	0	0
20. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
21. Liability for amounts held under uninsured plans .....	21,001,261	0	21,001,261	25,522,569
22. Aggregate write-ins for other liabilities (including \$ .....677,315 current) .....	7,517,827	0	7,517,827	8,232,547
23. Total liabilities (Lines 1 to 22).....	1,126,242,640	55,217	1,126,297,857	1,126,095,545
24. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	0
25. Common capital stock .....	XXX	XXX		0
26. Preferred capital stock .....	XXX	XXX		0
27. Gross paid in and contributed surplus .....	XXX	XXX		0
28. Surplus notes .....	XXX	XXX		0
29. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
30. Unassigned funds (surplus) .....	XXX	XXX	785,100,146	761,458,437
31. Less treasury stock, at cost:				
31.1 .....shares common (value included in Line 25 \$ ..... ) .....	XXX	XXX		0
31.2 .....shares preferred (value included in Line 26 \$ ..... ) .....	XXX	XXX		0
32. Total capital and surplus (Lines 24 to 30 minus Line 31) .....	XXX	XXX	785,100,146	761,458,437
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	1,911,398,003	1,887,553,982
DETAILS OF WRITE-INS				
2201. Amounts Withheld for Escheatment.....	6,840,512	0	6,840,512	7,474,467
2202. Reinsurance Payable.....	677,315	0	677,315	758,080
2203. ....			0	0
2298. Summary of remaining write-ins for Line 22 from overflow page .....	0	0	0	0
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	7,517,827	0	7,517,827	8,232,547
2401. ....	XXX	XXX		0
2402. ....	XXX	XXX		0
2403. ....	XXX	XXX		0
2498. Summary of remaining write-ins for Line 24 from overflow page .....	XXX	XXX	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX	0	0
2901. ....	XXX	XXX		0
2902. ....	XXX	XXX		0
2903. ....	XXX	XXX		0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	XXX	XXX	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	4,891,721	5,446,367	10,297,022
2. Net premium income (including \$ non-health premium income).....	XXX	1,433,166,172	1,411,645,840	2,927,358,276
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	727,696	0	(50,511,159)
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0	0
5. Risk revenue.....	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	7,707,632	5,751,287	14,020,781
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	1,441,601,500	1,417,397,127	2,890,867,898
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....	234,946	894,584,791	888,954,379	1,830,129,882
10. Other professional services.....		32,260,282	31,772,228	61,623,633
11. Outside referrals.....	20,739	20,739	0	0
12. Emergency room and out-of-area.....		120,775,625	132,691,924	271,271,537
13. Prescription drugs.....		359,726,907	353,146,134	690,420,830
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		0	0	0
16. Subtotal (Lines 9 to 15).....	255,685	1,407,368,344	1,406,564,665	2,853,445,882
<b>Less:</b>				
17. Net reinsurance recoveries.....		135,434,039	138,095,836	277,000,178
18. Total hospital and medical (Lines 16 minus 17).....	255,685	1,271,934,305	1,268,468,829	2,576,445,704
19. Non-health claims (net).....		0	0	0
20. Claims adjustment expenses, including \$ 10,172,315 cost containment expenses.....		47,794,432	47,095,935	97,283,480
21. General administrative expenses.....		112,712,375	107,680,932	218,271,245
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	255,685	1,432,441,112	1,423,245,696	2,892,000,429
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	9,160,388	(5,848,569)	(1,132,531)
25. Net investment income earned.....		15,860,372	17,873,562	33,411,421
26. Net realized capital gains (losses) less capital gains tax of \$ 2,712,387.....		10,849,547	4,255,748	11,041,476
27. Net investment gains (losses) (Lines 25 plus 26).....	0	26,709,919	22,129,310	44,452,897
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )].....		0	0	0
29. Aggregate write-ins for other income or expenses.....	0	1,279,264	49,070	496,606
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	37,149,571	16,329,811	43,816,972
31. Federal and foreign income taxes incurred.....	XXX	5,395,149	834,167	(984,481)
32. Net income (loss) (Lines 30 minus 31).....	XXX	31,754,422	15,495,644	44,801,453
<b>DETAILS OF WRITE-INS</b>				
0601. FEP Operations Center Performance Incentive.....	XXX	7,655,000	5,714,000	13,960,000
0602. Trigon network fee - Med D.....	XXX	52,632	37,287	60,781
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	7,707,632	5,751,287	14,020,781
0701. ....	XXX		0	0
0702. ....	XXX		0	0
0703. ....	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. ....			0	0
1402. ....			0	0
1403. ....			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Miscellaneous.....		1,295,764	49,070	510,106
2902. Regulatory fines and penalties.....		(16,500)	0	(13,500)
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	1,279,264	49,070	496,606

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	761,458,437	686,779,718	686,779,717
34. Net income or (loss) from Line 32 .....	31,754,422	15,495,644	44,801,453
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....4,748,997	7,889,364	2,440,937	36,072,553
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0	0
38. Change in net deferred income tax .....	4,192,652	(2,085,266)	(98,906,990)
39. Change in nonadmitted assets .....	(20,194,730)	(20,361,828)	73,130,315
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....	0	0	1,633,801
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend) .....	0	0	0
44.3 Transferred to surplus .....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....	0	0	0
46. Dividends to stockholders .....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	1,995,122	17,947,588
48. Net change in capital and surplus (Lines 34 to 47) .....	23,641,708	(2,515,391)	74,678,720
49. Capital and surplus end of reporting period (Line 33 plus 48)	785,100,145	684,264,327	761,458,437
<b>DETAILS OF WRITE-INS</b>			
4701. Correction of an Accounting error.....		1,995,122	1,995,122
4702. Change in accumulated other - pension.....		0	15,952,466
4703. ....		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	1,995,122	17,947,588

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	1,444,956,514	1,424,906,885	2,866,547,000
2. Net investment income	18,427,913	16,719,650	31,679,605
3. Miscellaneous income	7,707,632	5,751,287	13,960,000
4. Total (Lines 1 to 3)	1,471,092,059	1,447,377,822	2,912,186,605
5. Benefit and loss related payments	1,205,408,591	1,262,538,755	2,599,578,000
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	157,934,083	139,976,725	284,718,000
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 2,712,387 tax on capital gains (losses)	(2,304,148)	(7,700,982)	(3,241,000)
10. Total (Lines 5 through 9)	1,361,038,526	1,394,814,498	2,881,055,000
11. Net cash from operations (Line 4 minus Line 10)	110,053,533	52,563,324	31,131,605
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	781,469,461	251,454,086	883,118,287
12.2 Stocks	35,690,088	65,090,443	128,284,186
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	437,436	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(283)	0	(135)
12.7 Miscellaneous proceeds	10,221,551	4,335,587	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	827,818,253	320,880,116	1,011,402,338
13. Cost of investments acquired (long-term only):			
13.1 Bonds	817,821,793	228,366,319	975,468,094
13.2 Stocks	51,840,142	26,540,689	57,851,998
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	363,249	432,250	10,383,380
13.6 Miscellaneous applications	726,143	4,334,242	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	870,751,327	259,673,500	1,043,703,472
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(42,933,074)	61,206,616	(32,301,134)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(27,394,755)	(50,365,482)	(25,930,890)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(27,394,755)	(50,365,482)	(25,930,890)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	39,725,704	63,404,458	(27,100,419)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(4,915,624)	22,184,795	22,184,795
19.2 End of period (Line 18 plus Line 19.1)	34,810,080	85,589,253	(4,915,624)

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	861,753	51,439	347,469	5,546	.0	17,057	354,275	.63	.0	.85,904
2 First Quarter .....	814,297	52,193	330,472	5,446	.0	19,081	354,979	.0	.0	.52,126
3 Second Quarter .....	818,828	53,989	329,167	5,388	.0	22,818	355,411	.0	.0	.52,055
4. Third Quarter .....	.0									
5. Current Year	0									
6 Current Year Member Months	4,891,721	315,508	1,981,619	32,664		118,275	2,130,494			313,161
Total Member Ambulatory Encounters for Period:										
7. Physician .....	2,598,410	136,106	1,006,327	28,514			1,427,430			.33
8. Non-Physician .....	402,112	17,862	130,033	4,331			249,881			5
9. Total	3,000,522	153,968	1,136,360	32,845	0	0	1,677,311	0	0	38
10. Hospital Patient Days Incurred	104,065	3,828	25,899	2,823			71,515			
11. Number of Inpatient Admissions	21,735	872	6,897	371			13,595			
12. Health Premiums Written (a).....	1,595,016,152	79,709,735	711,457,356	7,532,269		37,507,536	750,298,826			.8,510,430
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	1,595,743,848	79,709,735	711,457,356	7,532,269		37,507,536	751,026,522			.8,510,430
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	1,364,355,938	56,929,643	548,633,255	4,800,843		27,147,865	724,775,503	139,654		.1,929,175
18. Amount Incurred for Provision of Health Care Services	1,407,368,346	68,622,991	583,261,973	5,350,159		27,381,995	718,899,077	48,876		3,803,275

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]



UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	80,038,774	407,670,916	8,086,446	130,773,173	88,125,220	96,215,458
2. Medicare Supplement .....	3,037,239	7,675,265	192,747	5,016,248	3,229,986	3,816,139
3. Dental Only .....	2,262,605	11,393,916	121,614	2,433,564	2,384,219	2,387,662
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....	125,101,422	599,674,081	5,629,484	135,180,033	130,730,906	146,685,943
6. Title XVIII - Medicare .....				382	0	0
7. Title XIX - Medicaid .....					0	0
8. Other health .....	1,492,826	2,981,737	3,761,523	1,978,250	5,254,349	3,885,579
9. Health subtotal (Lines 1 to 8).....	211,932,866	1,029,395,915	17,791,814	275,381,650	229,724,680	252,990,781
10. Health care receivables (a) .....		9,576,777			0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....					0	0
13. Totals	211,932,866	1,019,819,138	17,791,814	275,381,650	229,724,680	252,990,781

(a) Excludes \$ .....34,100,300 loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities, and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed practices by the District of Columbia. The Company does not utilize any permitted practices.

For the six months ending June 30, 2010 and 2009, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

#### B. Use of Estimates in the Preparation of the Financial Statements

No change.

#### C. Accounting Policy

No change.

### 2. Accounting Changes and Corrections of Errors

None.

### 3. Business Combinations and Goodwill

Not applicable

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A. Mortgage Loans

None.

#### B. Debt Restructuring

None.

#### C. Reverse Mortgages

None.

#### D. Loan-backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the market value for such securities.
- (2) The Company does not have any mortgage-backed/other-asset backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended June 30, 2010, the Company recognized other than temporary impairment (OTTI) in mortgage-backed/other-asset backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities.

The following table lists each security at the CUSIP level, currently held by the Company, where the present value of cash flows expected to be collected is less than the amortized cost basis (in thousands):

NOTES TO FINANCIAL STATEMENTS

CUSIP	Amortized Cost Before Current Period OTTI	Projected Cash Flows	Current Period Recognized OTTI	Amortized Cost After OTTI	Fair Value at time of OTTI	Financial Statement Reporting Period
02148Y-AC-8	\$ 1,946	\$ 1,776	\$ 170	\$ 1,776	\$ 1,744	June 30, 2010
87222E-AC-2	2,125	1,998	127	1,998	1,949	June 30, 2010
87222P-AC-7	8,957	8,528	429	8,528	6,152	June 30, 2010
Total for the quarter ended June 30, 2010	\$ 13,028	\$ 12,302	\$ 726	\$ 12,302	\$ 9,845	

For the quarter ended March 31, 2010, the Company did not recognize other than temporary impairment (OTTI) in mortgage-backed/other-asset backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities.

CUSIP	Amortized Cost Before Current Period OTTI	Projected Cash Flows	Current Period Recognized OTTI	Amortized Cost After OTTI	Fair Value at time of OTTI	Financial Statement Reporting Period
02148Y-AC-8	\$ 2,196	\$ 1,880	\$ 316	\$ 1,880	\$ 1,895	December 31, 2009
362334-CN-2	4,549	4,352	197	4,352	3,771	December 31, 2009
87222E-AC-2	2,545	2,076	469	2,076	2,073	December 31, 2009
87222P-AC-7	9,986	8,777	1,209	8,777	4,927	December 31, 2009
Total for the quarter ended December 31, 2009	\$ 19,276	\$ 17,085	\$ 2,191	\$ 17,085	\$ 12,666	

- (4) The following table shows the gross unrealized losses and fair value of the Company’s mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and length of time that individual securities have been in an unrealized loss position at June 30, 2010 (in thousands).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
June 30, 2010					
Government Sponsored Enterprise mortgage-backed securities	\$ 4,437	\$ 17	\$ 529	\$ 1	\$ 18
Residential mortgage-backed securities	-	-	19,419	1,362	1,362
Commercial mortgage-backed securities	238	8	473	29	37
Other asset-backed securities	-	-	90	1	1
Total	\$ 4,675	\$ 25	\$ 20,511	\$ 1,393	\$ 1,418

- (5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

A. No change.

B. No change.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

Not applicable.

9. Income Taxes

The components of the net deferred tax asset recognized in the Company’s Assets, Liabilities, and Capital and Surplus are as follows:

	Jun. 30, 2010	Dec. 31, 2009
Total of gross deferred tax assets	\$51,400,230	\$46,526,196
Total of deferred tax liabilities	(1,568,559)	(5,636,172)
Net deferred tax asset	49,831,671	40,890,024
Deferred tax asset nonadmitted	(33,092,188)	(23,563,646)
Net admitted deferred tax asset	16,739,483	17,326,378
(Increase) decrease in nonadmitted asset	\$(9,528,542)	113,100,581

The provisions for incurred taxes on earnings:

	Jun. 30, 2010	Jun. 30, 2009	Dec 31, 2009
Federal provision	5,395,149	834,167	(984,481)
Federal income tax on net capital gains	2,712,387	1,063,937	2,760,369
Federal income taxes incurred	8,107,536	1,898,104	1,775,888

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	Jun. 30, 2010	Dec. 31, 2009
Deferred tax assets:		
Accounts Receivable	\$3,589,747	\$2,601,598
Investments	5,564,569	7,506,042
Benefit Obligations	10,361,077	10,361,127
Accrued Expenses	6,952,864	6,222,102
Unpaid Claims	2,602,218	2,451,124
AMT Credits	0	0
Nonadmitted deferred tax assets and other	22,329,755	17,384,113
Total deferred tax assets	51,400,230	46,526,196
Nonadmitted deferred tax assets	(33,092,188)	(23,563,646)
Admitted deferred tax assets	18,308,042	22,962,550
Deferred tax liabilities:		
FAS 115		(4,168,202)
Other	(1,568,559)	(1,467,970)
Total deferred tax liabilities	(1,568,559)	(5,636,172)
Net Admitted deferred tax assets	\$16,739,483	\$17,326,378

The change in net deferred income taxes is comprised of the following:

	Jun. 30, 2010	Dec. 31, 2009	Change
Total deferred tax assets	\$51,400,230	\$46,526,196	\$4,874,034
Total deferred tax liabilities	(1,568,559)	(5,636,172)	4,067,613
Net deferred tax asset(liability)	\$49,831,671	\$40,890,024	8,941,647
Tax effect of unrealized gains(losses)			(4,748,997)
Change in net deferred income tax			4,192,650

In accordance with SSAP 10-R, below are the components of the net DTA and DTL recognized in GHMSI’s financial statement by tax character.

	Capital	Operating	TOTAL
Total of gross deferred tax assets	4,773,360	169,822,720	174,596,080
Less: AMT Credits Valuation Allowance	0	(123,195,850)	(123,195,850)
Adjusted gross deferred assets	4,773,360	46,626,870	51,400,230
Gross deferred tax liabilities	(52,530)	(1,516,030)	(1,568,559)
Net deferred tax asset	4,720,830	45,110,841	49,831,671
Deferred tax asset nonadmitted	0	(33,092,188)	(33,092,188)
Net admitted deferred tax asset	4,720,830	12,018,653	16,739,483

NOTES TO FINANCIAL STATEMENTS

The provision for income taxes differs from the statutory rate of 35% principally as a result of the 833(b) deduction, mark-up for intercompany services, changes in tax contingency reserves and valuation allowance.

The Company has accumulated Alternative Minimum Tax (AMT) credits which can be used, in certain circumstances, to offset future regular tax.

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35 percent. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction). The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax (TMT) rates of 20%. As a result, the Company’s income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company’s reserves reach certain levels, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available AMT credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The agreement calls for an allocation based on the Company's pre-tax income after affecting for permanent differences at the alternative minimum tax rates. The federal tax allocation for both 2010 and 2009 was 20 percent of pre-tax income after permanent differences. These amounts are included in provision for income taxes in the accompanying statements of revenue and expenses. The Company is exempt from all income taxes in the District of Columbia, Maryland and Virginia.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance, health maintenance organization coverage and health benefits administration. Other products and services include preferred provider and point-of-service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI also hold a 40% and 60% interest, respectively, in a health maintenance organization subsidiary, CareFirst BlueChoice, Inc. (CFBC). Since control over CFBC operations is vested in CFI, the Company has determined that neither the Company nor CFMI exercise control over CFBC.

The Boards of CFI, CFMI, and GHMSI have approved earnings redistributions to evenly share changes in the statutory surplus of CFBC. In 2008, the Boards approved in principle the creation of a new holding company, CareFirst Holdings, LLC. (CHC), which would be owned 50%/50% by CFMI and GHMSI, respectively. Following regulatory approval, the establishment of CHC would satisfy the earning redistributions of CFBC.

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

No change.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) No change.
- (2) – (9) Not applicable
- (10) Change in net unrealized capital gains (losses) for the six months ended June 30, 2010:

Change in the unrealized gain/losses from:	Change
Affiliated Common Stocks:	
Blue Choice (40%)	\$ 16,551,775
CASCI	70
NCIA	416,268
NCAS	418,721
Unaffiliated Common Stocks	(11,783,217)
Bonds & Preferred Stocks	(2,336,993)
Blue Venture	(126,257)

NOTES TO FINANCIAL STATEMENTS

Total unrealized gains/loss	3,140,367
Capital Gains Deferred tax	4,748,997
<b>Change in net unrealized capital gains (losses) less capital gains tax (Page 5 Ln 36)</b>	<b>\$ 7,889,364</b>

(11) – (13) Not applicable

14. Contingencies

A. Commitments

During 2008, the Company made a commitment to fund \$7,500,000 into the Blue Venture Fund Limited Partnership. The amount of the unfunded commitment was \$5,511,000 at June 30, 2010. The Company anticipates that the additional amount will be invested in the limited partnership over the next four years.

B. – D. None

E. All Other Contingencies

In December 2008, the District of Columbia’s City Council Committee on Public Services and Consumer Affairs (D.C. City Council) passed legislation giving the District of Columbia’s Insurance Commissioner (Commissioner) authority to cap GHMSI’s statutory reserves attributable to the District of Columbia and compel the offering of an expanded open enrollment product in the District of Columbia. Pursuant to this law, a hearing was held in September 2009 by the Commissioner to inquire into the appropriateness of GHMSI’s reserve level. A decision is expected by the Commissioner in the second half of 2010.

The Company insures individuals who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by both the Company and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer. The issues were communicated to the Centers for Medicare and Medicaid Services (CMS) in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. The Company has provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for approximately \$19 million. Accordingly, CFI has recorded a liability of \$19,044,000 at December 31, 2009 for this proposed settlement, of which \$9,420,000 has been recorded by the Company. The liability is included in general expenses due or accrued in the accompanying balance sheets. The settlement remains subject to government approval. While there can be no assurances that the settlement will be accepted, or that CMS will accept the Company’s legal interpretation that Medicare law limits its liability in this matter to the Company’s proposed settlement amount, the Company’s management, after consultation with legal counsel, does not believe the final resolution of this matter will result in additional material liabilities to the Company. During the first six months of 2010, the Company received demand letters from CMS regarding certain of these individual claims. The Company has processed and paid these claims in accordance with the demand letters and accordingly has released the reserve associated with these claims in the amount of \$684,000.

15. Leases

No change.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. Not applicable

NOTES TO FINANCIAL STATEMENTS

B. The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the six month periods ending June 30, 2010 and 2009 (in thousands):

	June 30, 2010	June 30, 2009
Gross reimbursement for medical costs incurred	\$ 566,546	\$ 541,210
Gross administrative fees accrued	31,436	39,169
Gross expenses incurred	(615,317)	(589,324)
Operating gain or (loss), before stop loss	(17,335)	(8,945)
Stop loss, net	4,865	4,377
Proforma operating gain or (loss)	\$ (12,470)	\$ (4,568)

The stop loss amount reported represents stop loss written for the ASC business shown above. For the six months ending June 30, 2010, GHMSI ceded an ASC underwriting loss of \$4,063,000 to CFMI and assumed an ASC underwriting loss of \$8,352,000 from CFMI for a net underwriting loss of \$4,289,000. For the six months ending June 30, 2009, GHMSI ceded an ASC underwriting loss of \$3,924,000 to CFMI and assumed an ASC underwriting loss of \$2,799,000 from CFMI for a net underwriting gain of \$1,125,000.

C. Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

A. – F. Not applicable

G. Subprime Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of June 30, 2010.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

21. Events Subsequent

Not Applicable.

22. Reinsurance

Effective January 1, 2006, FirstCare, Inc. (FirstCare), a wholly-owned subsidiary of CFS Health Group, Inc. (CFS), which in turn is a wholly-owned subsidiary of CFMI, began serving as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with the Centers for Medicare and Medicaid Services (CMS). The Company and CFMI are operating under a quota-share reinsurance contract with FirstCare, which renews annually unless terminated prior to renewal. The agreement relates to all Medicare Part D insurance policies written by FirstCare for individuals living in the Company’s service areas. Under the terms of the agreement, the Company assumes all underwriting risk on the business written in its service areas. The Company assumed risk premiums in the amount of \$3,336,000 and \$4,195,000, and incurred an underwriting loss in the amount of \$388,000 and \$353,000, for the six months ended June 30, 2010 and 2009, respectively, as a result of the quota-share reinsurance contract with FirstCare.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). Effective January 1, 2008, the income from operations from this cross-jurisdictional business is transferred via a quota share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI (*in thousands*):

	June 30, 2010	June 30, 2009
Premiums assumed	\$ 34,236	\$ 30,811
Premiums ceded	(199,429)	(203,189)
Premiums, net	(165,193)	(172,378)
Cost of care assumed	22,775	28,033
Cost of care ceded	(161,104)	(170,079)
Cost of care, net	(138,329)	(142,047)
General and administrative expenses ceded, net	(20,496)	(29,341)

NOTES TO FINANCIAL STATEMENTS

Net (gain) ceded	\$ (6,368)	\$ (990)
------------------	------------	----------

Note: The amounts above include risk and non-risk business.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

24. Change in Incurred Claims and Claim Adjustment Expenses

As of June 30, 2010, \$211,933,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$17,792,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$23,266,000 favorable prior year development since December 31, 2009 to June 30, 2010, of which \$15,955,000 was a result of favorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements

Not applicable.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

No change.

28. Participating Policies

Not applicable.

29. Premium Deficiency Reserve

Not applicable.

30. Salvage and Subrogation

No change.



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes ☐ No ☒
- 2.2

If yes, date of change: .....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2008
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2008
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

09/29/2009
- 6.4

By what department or departments?  
District of Columbia Department of Insurance, Securities & Banking.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes ☐ No ☒
- 7.2

If yes, give full information:  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain: .....

9.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). .....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$ .....0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto: .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]

14.2 If yes, please complete the following:

		1		2
		Prior Year-End		Current Quarter
		Book/Adjusted		Book/Adjusted
		Carrying Value		Carrying Value
14.21	Bonds .....	\$ .....	\$	.....
14.22	Preferred Stock .....	\$ .....	\$	.....
14.23	Common Stock .....	\$ .....205,252,996	\$	.....222,639,830
14.24	Short-Term Investments .....	\$ .....	\$	.....
14.25	Mortgage Loans on Real Estate .....	\$ .....	\$	.....
14.26	All Other .....	\$ .....	\$	.....
14.27	Total Investment in Parent, Subsidiaries and Affiliates			
	(Subtotal Lines 14.21 to 14.26).....	\$ .....205,252,996	\$	.....222,639,830
14.28	Total Investment in Parent included in Lines 14.21 to 14.26			
	above .....	\$ .....	\$	.....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SUNTRUST BANK.....	1445 NEW YORK AVE., WASHINGTON, DC 20005.....

16.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
15958.....	VANGUARD.....	P.O. BOX 2900, VALLEY FORGE, PA. 19482-2900.....
104596.....	DODGE AND COX.....	55 CALIFORNIA ST., SAN FRANCISCO, CA. 94104.....
107105.....	BLACKROCK INVESTMENT ADVISORS.....	100 BELLEVUE PARKWAY, WASHINGTON, DE 19809.....
10578.....	CALAMOS INVESTMENTS.....	1111 WARRENVILLE RD., NAPERVILLE, IL. 60563-1493.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

17.2 If no, list exceptions:  
.....

GENERAL INTERROGATORIES  
PART 2 - HEALTH

1 Operating Percentages	
1.1 A&H loss percent.....	89.4 %
1.2 A&H cost containment percent .....	0.7 %
1.3 A&H expense percent excluding cost containment expenses.....	10.5 %
2.1 Do you act as a custodian for health savings accounts?.....	Yes [ ] No [X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$ 0
2.3 Do you act as an administrator for health savings accounts?.....	Yes [ ] No [X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ 0

## Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Location	Type of Reinsurance Ceded	Is Insurer Authorized? (Yes or No)
			NONE			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
States, Etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N						0		
2. Alaska	AK	N						0		
3. Arizona	AZ	N						0		
4. Arkansas	AR	N						0		
5. California	CA	N						0		
6. Colorado	CO	N						0		
7. Connecticut	CT	N						0		
8. Delaware	DE	N						0		
9. Dist. of Columbia	DC	L	234,479,082		750,298,826			984,777,908		
10. Florida	FL	N						0		
11. Georgia	GA	N						0		
12. Hawaii	HI	N						0		
13. Idaho	ID	N						0		
14. Illinois	IL	N						0		
15. Indiana	IN	N						0		
16. Iowa	IA	N						0		
17. Kansas	KS	N						0		
18. Kentucky	KY	N						0		
19. Louisiana	LA	N						0		
20. Maine	ME	N						0		
21. Maryland	MD	L	356,958,374					356,958,374		
22. Massachusetts	MA	N						0		
23. Michigan	MI	N						0		
24. Minnesota	MN	N						0		
25. Mississippi	MS	N						0		
26. Missouri	MO	N						0		
27. Montana	MT	N						0		
28. Nebraska	NE	N						0		
29. Nevada	NV	N						0		
30. New Hampshire	NH	N						0		
31. New Jersey	NJ	N						0		
32. New Mexico	NM	N						0		
33. New York	NY	N						0		
34. North Carolina	NC	N						0		
35. North Dakota	ND	N						0		
36. Ohio	OH	N						0		
37. Oklahoma	OK	N						0		
38. Oregon	OR	N						0		
39. Pennsylvania	PA	N						0		
40. Rhode Island	RI	N						0		
41. South Carolina	SC	N						0		
42. South Dakota	SD	N						0		
43. Tennessee	TN	N						0		
44. Texas	TX	N						0		
45. Utah	UT	N						0		
46. Vermont	VT	N						0		
47. Virginia	VA	L	253,279,870					253,279,870		
48. Washington	WA	N						0		
49. West Virginia	WV	N						0		
50. Wisconsin	WI	N						0		
51. Wyoming	WY	N						0		
52. American Samoa	AS	N						0		
53. Guam	GU	N						0		
54. Puerto Rico	PR	N						0		
55. U.S. Virgin Islands	VI	N						0		
56. Northern Mariana Islands	MP	N						0		
57. Canada	CN	N						0		
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	
59. Subtotal	XXX	844,717,326	0	0	750,298,826	0	0	1,595,016,152	0	
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 3	844,717,326	0	0	750,298,826	0	0	1,595,016,152	0	
DETAILS OF WRITE-INS										
5801.	XXX							0		
5802.	XXX							0		
5803.	XXX							0		
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0		

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
(a) Insert the number of L responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....YES.....

Explanation:

Bar Code:



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**OVERFLOW PAGE FOR WRITE-INS**

---

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		.0
2.2 Additional investment made after acquisition .....		.0
3. Current year change in encumbrances .....		.0
4. Total gain (loss) on disposals .....		.0
5. Deduct amounts received on disposals .....		.0
6. Total foreign exchange change in book/adjusted carrying value .....		.0
7. Deduct current year's other than temporary impairment recognized .....		.0
8. Deduct current year's depreciation .....		.0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4+5+6-7-8) .....	.0	.0
10. Deduct total nonadmitted amounts .....	.0	.0
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1. Actual cost at time of acquisition .....		.0
2.2. Additional investment made after acquisition .....		.0
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease) .....		.0
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals .....		.0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		.0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		.0
10. Deduct current year's other than temporary impairment recognized .....		.0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	.0	.0
12. Total valuation allowance .....		.0
13. Subtotal (Line 11 plus Line 12) .....	.0	.0
14. Deduct total nonadmitted amounts .....	.0	.0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	10,504,432	672,701
2. Cost of acquired:		
2.1. Actual cost at time of acquisition .....		9,263,266
2.2. Additional investment made after acquisition .....	363,249	1,120,114
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease) .....	(126,257)	(551,649)
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals .....	437,436	.0
8. Deduct amortization of premium and depreciation .....		.0
9. Total foreign exchange change in book/adjusted carrying value .....		.0
10. Deduct current year's other than temporary impairment recognized .....		.0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	10,303,988	10,504,432
12. Deduct total nonadmitted amounts .....	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12) .....	10,137,321	10,337,765

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	980,389,475	900,648,870
2. Cost of bonds and stocks acquired .....	869,661,935	1,033,320,092
3. Accrual of discount .....	740,001	3,031,843
4. Unrealized valuation increase (decrease) .....	3,269,382	41,598,795
5. Total gain (loss) on disposals .....	14,288,360	21,380,750
6. Deduct consideration for bonds and stocks disposed of .....	817,159,549	1,011,402,473
7. Deduct amortization of premium .....	2,855,690	2,531,780
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other than temporary impairment recognized .....	726,373	5,656,622
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9) .....	1,047,607,541	980,389,475
11. Deduct total nonadmitted amounts .....	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11) .....	1,047,607,541	980,389,475

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	783,122,900	490,853,004	578,954,962	3,250,018	783,122,900	698,270,960	.0	647,737,102
2. Class 2 (a).....	136,669,443	21,318,586	14,588,975	(5,243,453)	136,669,443	138,155,602	.0	129,835,631
3. Class 3 (a).....	6,754,361			(4,775)	6,754,361	6,749,585	.0	9,672,478
4. Class 4 (a).....	1,212,880			(34,952)	1,212,880	1,177,929	.0	277,940
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	99			(49)	99	50	0	195
7. Total Bonds	927,759,683	512,171,590	593,543,937	(2,033,211)	927,759,683	844,354,126	0	787,523,346
<b>PREFERRED STOCK</b>								
8. Class 1 .....	.0				.0	.0	.0	1,204,750
9. Class 2 .....	2,999,225			(1,460)	2,999,225	2,997,765	.0	3,000,670
10. Class 3 .....	433,125			(7,875)	433,125	425,250	.0	420,788
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	3,432,350	0	0	(9,335)	3,432,350	3,423,015	0	4,626,208
15. Total Bonds & Preferred Stock	931,192,033	512,171,590	593,543,937	(2,042,546)	931,192,033	847,777,141	0	792,149,554

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ \_\_\_\_\_ ; NAIC 2 \$ \_\_\_\_\_ ;  
NAIC 3 \$ \_\_\_\_\_ ; NAIC 4 \$ \_\_\_\_\_ ; NAIC 5 \$ \_\_\_\_\_ ; NAIC 6 \$ \_\_\_\_\_

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	95,741,204	XXX	95,741,046	12,487	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	78,403,032	105,823,497
2. Cost of short-term investments acquired .....	302,128,464	309,927,760
3. Accrual of discount .....	766	137
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....	(234)	(135)
6. Deduct consideration received on disposals .....	284,784,835	337,348,227
7. Deduct amortization of premium.....	5,988	0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	95,741,205	78,403,032
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	95,741,205	78,403,032

Schedule DB - Part A - Verification  
**NONE**

Schedule DB - Part B - Verification  
**NONE**

Schedule DB - Part C - Section 1  
**NONE**

Schedule DB - Part C - Section 2  
**NONE**

Schedule DB - Verification  
**NONE**

SCHEDULE E - VERIFICATION  
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of cash equivalents acquired .....	2,399,860	0
3. Accrual of discount .....	100	0
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals .....	(49)	0
6. Deduct consideration received on disposals .....	1,249,927	0
7. Deduct amortization of premium .....		0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	1,149,984	0
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,149,984	0

Schedule A - Part 2  
NONE

Schedule A - Part 3  
NONE

Schedule B - Part 2  
NONE

Schedule B - Part 3  
NONE

E03

E03

E03

E03

E03

E03

E03



STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
Bonds - U.S. Governments									
912810-QB-7	UNITED STATES TREAS BDS		06/28/2010	GOLDMAN, SACHS & CO		753,521	725,000	3,852	1
912810-QD-3	UNITED STATES TREAS BDS		06/25/2010	VARIOUS		881,679	850,000	6,281	1
912810-QE-1	UNITED STATES TREAS BDS		05/12/2010	VARIOUS		78,599,246	78,528,000	736,035	1
912810-QH-4	UNITED STATES TREAS BDS		06/09/2010	VARIOUS		115,838,878	111,975,000	257,715	1
912828-JS-0	UNITED STATES TREAS NTS		06/02/2010	VARIOUS		13,823,766	13,750,000	61,638	1
912828-KU-3	UNITED STATES TREAS NTS		05/07/2010	GOLDMAN, SACHS & CO		3,013,369	3,000,000	11,755	1
912828-MP-2	UNITED STATES TREAS NTS		06/23/2010	VARIOUS		7,460,213	7,461,000	59,204	1
912828-MU-1	UNITED STATES TREAS NTS		04/07/2010	L INSCO/PRIVATE LEDGER COR		59,887,650	60,000,000	13,115	1
912828-MV-9	UNITED STATES TREAS NTS		04/27/2010	VARIOUS		481,710	480,000	1,087	1
912828-MW-7	UNITED STATES TREAS NTS		04/22/2010	MORGAN STANLEY&CO INC PRO		375,133	375,000	692	1
912828-MZ-0	UNITED STATES TREAS NTS		05/11/2010	VARIOUS		10,236,749	10,130,000	7,704	1
912828-NA-4	UNITED STATES TREAS NTS		05/28/2010	VARIOUS		12,603,488	12,485,000	14,772	1
912828-ND-8	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		1,874,394	1,830,000	5,882	1
912828-NE-6	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		41,087,148	41,000,000	19,242	1
912828-NF-3	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		9,491,206	9,350,000	15,438	1
912828-NS-5	US TREAS 0.625% 6/30/		06/25/2010	GOLDMAN, SACHS & CO		1,249,418	1,250,000		1
912828-NC-0	US TREAS 1.375% 5/15/		06/28/2010	BOENNING & SCATTERGOOD IN		3,035,039	3,000,000	5,044	1
0399999 - Total - Bonds - U.S. Government						360,692,607	356,189,000	1,219,456	XXX
Bonds - All Other Government									
302154-AV-1	EXPORT IMPORT BK KOREA	R	05/17/2010	VARIOUS		653,977	650,000	5,088	1FE
1099999 - Total - Bonds - All Other Government						653,977	650,000	5,088	XXX
Bonds - U.S. Special Revenue									
3128PR-PB-6	FHLMC PC GOLD 15 YR		06/04/2010	UBS FINANCIAL SERVICES IN		3,984,315	3,785,572	7,571	1
312936-R4-1	FHLMC PC GOLD COMB 30		06/04/2010	NOMURA SECURITIES INTL		852,174	831,642	1,351	1
312940-EP-0	FHLMC PC GOLD COMB 30		06/04/2010	NOMURA SECURITIES INTL		1,970,800	1,921,852	3,123	1
31385X-EC-7	FNMA PASS-THRU LNG 30 YEAR		05/11/2010	GOLDMAN, SACHS & CO		3,448,005	3,243,649	6,442	1
31402R-F8-7	FNMA PASS-THRU LNG 30 YEAR		06/17/2010	GOLDMAN, SACHS & CO		790,073	746,838	3,008	1
31414A-U6-7	FNMA PASS-THRU LNG 30 YEAR		06/04/2010	UBS PAINE WEBBER INC		7,772,155	7,351,727	13,274	1
31416B-W4-6	FNMA PASS-THRU LNG 30 YEAR		04/27/2010	CHASE SECURITIES, INC		6,479,781	6,055,870	12,112	1
31418M-NH-1	FNMA PASS-THRU LNG 30 YEAR		06/04/2010	CHASE SECURITIES, INC		1,072,462	1,045,347	1,699	1
31418N-A9-1	FNMA PASS-THRU LNG 30 YEAR		04/13/2010	CREDIT SUISSE FIRST BOSTO		5,037,627	4,763,713	8,733	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		06/25/2010	BANC AMERICA SECURITIES L		1,619,911	1,507,551	7,287	1
31419A-CU-9	FNMA POOL #AE0082 5.00% 5/01/		06/17/2010	MORGAN STANLEY&CO INC PRO		656,134	620,000	2,497	1
88276P-CH-7	TEXAS ST PUB FIN AUTH CHARTER REV		04/30/2010	MORGAN KEEGAN & COMPANY I		1,500,000	1,500,000		2FE
3199999 - Totals - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						35,183,437	33,373,766	67,097	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03512T-AA-9	ANGLOGOLD ASHANTI HLDGS FIN PL	R	04/22/2010	VARIOUS		250,237	250,000		2FE
88579Y-AB-7	3M CO 0%		04/22/2010	McMahan Securities		790,500	850,000		1FE
002824-AY-6	ABBOTT LABS		05/24/2010	MORGAN STANLEY&CO INC PRO		198,456	200,000		1FE
00846U-AD-3	AGILENT TECHNOLOGIES INC		05/26/2010	STIFEL, NICOLAUS & CO., IN		2,078,960	2,000,000	19,036	2FE
00850L-AA-2	AGRIBANK FCB 9.125% 7/15/		06/15/2010	STIFEL, NICOLAUS & CO., IN		2,368,800	2,000,000	77,563	1FE
02005L-AD-6	ALLY AUTO REC TR 2010-2		06/18/2010	CHASE SECURITIES, INC		739,853	740,000		1FE
03064E-AB-2	AMERICREDIT AUTO REC 2010-2		05/13/2010	WACHOVIA SECURITIES CAPIT		349,983	350,000		1FE
032511-AN-7	ANADARKO PETE CORP		05/21/2010	BOENNING & SCATTERGOOD IN		994,750	1,000,000	14,200	2FE
06051G-DZ-9	BANK AMER FDG CORP		05/12/2010	VARIOUS		387,572	340,000	11,707	1FE
06051G-EB-1	BANK AMER FDG CORP		04/29/2010	BANC AMERICA SECURITIES L		120,947	120,000	795	1FE
06051G-EC-9	BANK OF AMER CORP 5.625% 7/01/		06/17/2010	VARIOUS		1,569,362	1,575,000		1FE
06739G-AR-0	BARCLAYS BANK PLC	R	06/15/2010	DEUTSCHE BANK SECURITIES		571,176	600,000	13,667	1FE
05531F-AF-0	BB&T CORPORATION		04/26/2010	DEUTSCHE BANK SECURITIES		998,780	1,000,000		1FE
05565Q-BH-0	BP CAP MKTS P L C	F	06/16/2010	Chase Securities		153,450	180,000	1,957	1FE
05565Q-BL-1	BP CAP MKTS PLC 3.625% 5/08/	F	06/17/2010	CREDIT SUISSE FIRST BOSTO		109,375	125,000		1FE
172967-EV-9	CITIGROUP INC		05/12/2010	VARIOUS		183,531	157,000	6,425	1FE
172967-FD-8	CITIGROUP INC		05/20/2010	VARIOUS		946,923	955,000	238	1FE
210371-AK-6	CONSTELLATION ENERGY GROUP INC		04/14/2010	FTN FINANCIAL		55,486	54,000	846	2FE
126650-BU-3	CVS CAREMARK CORPORATION		05/13/2010	CHASE SECURITIES, INC		422,896	425,000		1FE
25179S-AC-4	DEVON FING CORP U L C		05/12/2010	Barclays Capital		1,099,979	1,025,000	9,200	2FE
25470D-AC-3	DISCOVERY COMMUNICATIONS LLC		05/26/2010	CHASE SECURITIES, INC		598,050	600,000		2FE
29379V-AP-8	ENTERPRISE PRODS OPER LLC		05/11/2010	SALOMON SMITH BARNEY INC/		598,206	600,000		2FE
26875P-AE-1	EOG RES INC		05/17/2010	CHASE SECURITIES, INC		199,468	200,000		1FE

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
338032-AX-3	FISHER SCIENTIFIC INTL INC		05/24/2010	NOMURA SECURITIES INTL		1,714,570	1,300,000	10,093	2FE
302570-BH-8	FPL GROUP CAP INC		05/13/2010	CHASE SECURITIES, INC.		499,670	500,000		2FE
368280-QE-9	GE CAP CMBS 2005-C4		06/08/2010	NOMURA SECURITIES INTL		820,386	785,000	1,163	1FE
369626-4J-0	GENERAL ELEC CAP CORP MTN BE		05/19/2010	DEUTSCHE BANK SECURITIES		517,450	500,000	10,389	1FE
372917-AR-5	GENZYME CORP		06/14/2010	GOLDMAN, SACHS & CO.		198,372	200,000		2FE
361849-Q3-9	GMAC COML MTG SECS 2005-C1		06/17/2010	GOLDMAN, SACHS & CO.		246,350	260,000	721	1FE
38141E-A2-5	GOLDMAN SACHS GRP INC MTN BE		05/12/2010	BNP PARIBAS SECURITIES BO		285,054	260,000	4,983	1FE
38141E-A5-8	GOLDMAN SACHS GRP INC MTN BE		05/07/2010	CHASE SECURITIES, INC.		36,534	39,000	373	1FE
38141E-A6-6	GOLDMAN SACHS GRP INC MTN BE		05/26/2010	GOLDMAN, SACHS & CO.		1,047,312	1,050,000		1FE
406216-AW-1	HALLIBURTON CO		05/03/2010	CREDIT SUISSE FIRST BOSTO		239,308	211,000	2,003	1FE
406216-AY-7	HALLIBURTON CO		05/03/2010	CREDIT SUISSE FIRST BOSTO		545,198	439,000	4,633	1FE
44328M-AB-0	HSBC BANK PLC 3.500% 6/28/	F	06/21/2010	HSBC SECURITIES, INC.		774,365	775,000		1FE
458140-AF-7	INTEL CORP		05/25/2010	KBC FINANCIAL PRODUCTS		291,563	250,000	2,641	1FE
46185R-AK-6	INVITROGEN CORP		04/20/2010	BNP PARIBAS SECS CORP/BON		1,092,797	925,000	2,621	2FE
46631B-AB-1	JP MORGAN CHASE 2007-LDP11		04/13/2010	CITADEL SECURITIES LLC		1,123,653	1,085,000	85	1FE
466270-BA-5	JP MORGAN COM MTG 2006-C1BC15 2043		06/03/2010	DEUTSCHE BANK SECURITIES		996,480	975,000	1,102	1FE
46625H-HQ-6	JPMORGAN CHASE & CO.		05/21/2010	CHASE SECURITIES, INC.		525,777	525,000	4,403	1FE
46627N-AA-3	JPMORGAN CHASE CAP 5.875% 3/15/		05/18/2010	CREDIT SUISSE FIRST BOSTO		312,741	355,000	3,824	1FE
494550-BE-5	KINDER MORGAN ENERGY PARTNERS		05/12/2010	WACHOVIA SECURITIES CAPIT		549,786	550,000		2FE
502413-AZ-0	L-3 COMMUNICATIONS CORP		05/18/2010	DEUTSCHE BANK SECURITIES		214,310	215,000		1FE
50540R-AG-7	LABORATORY CORP AMER HLDGS 0%		05/24/2010	DEUTSCHE BANK SECURITIES		915,213	900,000		2FE
534187-AX-7	LINCOLN NATL CORP IND.		05/17/2010	VARIOUS		105,768	86,000	2,828	2FE
534187-BA-6	LINCOLN NATL CORP IND.		06/16/2010	VARIOUS		272,474	270,000	70	2FE
594918-AE-4	MICROSOFT CORP 6/15/		06/23/2010	VARIOUS		3,057,500	3,050,000		1FE
595620-AH-8	MIDAMERICAN ENERGY CO.		05/07/2010	BANK OF NEW YORK		406,021	385,000	3,231	1FE
61747Y-CM-5	MORGAN STANLEY		05/13/2010	VARIOUS		369,579	385,000	6,485	1FE
674599-BW-4	OCCIDENTAL PETROLEUM 7.000% 11/01/		04/08/2010	CHASE SECURITIES, INC.		136,704	118,000	3,658	1FE
744320-BN-4	PRUDENTIAL FINL INC 6.625% 6/21/		06/17/2010	VARIOUS		331,443	325,000	37	2FE
74928H-BF-2	RBSSP RESEC TR 2010-3.		05/26/2010	GREENWICH CAPITAL MKTS, I		904,570	900,000		1FE
78403D-AB-6	SBA TOWER TR 2010.		04/08/2010	DEUTSCHE BANK SECURITIES		400,000	400,000		1FE
854616-AM-1	STANLEY WKS		06/03/2010	VARIOUS		650,213	600,000		2FE
88732J-AS-7	TIME WARNER CABLE INC.		05/03/2010	WALL STREET ACCESS		433,850	356,000	2,855	2FE
88732J-AW-8	TIME WARNER CABLE INC.		05/11/2010	GOLDMAN, SACHS & CO.		423,351	425,000	9,031	2FE
893830-AS-8	TRANSOCEAN SEDCO FOREX INC.		05/19/2010	VARIOUS		354,970	345,000	3,593	2FE
92343V-AV-6	VERIZON COMMUNICATIONS INC.		05/21/2010	GOLDMAN, SACHS & CO.		214,742	190,000	1,843	1FE
959802-AM-1	WESTERN UNION CO/THE 6.200% 6/21/		06/16/2010	WACHOVIA SECURITIES CAPIT		109,866	110,000		1FE
983919-AE-1	XILINX INC 2.625% 6/15/		06/23/2010	VARIOUS		3,041,200	3,025,000	970	2FE
292505-AH-7	ENCANA CORP	R	05/14/2010	MIZUHO SECURITIES USA INC.		2,806,350	2,500,000	1,806	2FE
380956-AB-8	GOLDCORP INC NEW	I	05/14/2010	VARIOUS		752,894	625,000	3,650	2FE
3899999 - Totals - Bonds - Industrial and Miscellaneous (Unaffiliated)						43,505,124	41,540,000	245,279	XXX
8399997 - Subtotals- Bonds - Part 3						440,035,145	431,752,766	1,536,920	XXX
8399999 - Subtotals - Bonds						440,035,145	431,752,766	1,536,920	XXX
Common Stocks - Industrial and Miscellaneous									
418056-10-7	HASBRO INC		04/09/2010	CONVERSION	40,509,263	1,577,026			L
9099999 - Total - Common Stocks - Industrial, Misc.						1,577,026	XXX	0	XXX
Common Stocks - Mutual Funds									
922908-88-4	VANGUARD INDEX FDS		06/29/2010	Vanguard Group	478,848,808	16,700,000			L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		06/29/2010	Vanguard Group	164,348,526	16,809,893			L
921909-82-6	VANGUARD STAR FD DVMK IDX INSTL		06/29/2010	Vanguard Group	1,955,146,467	16,700,000			L
9299999 - Total - Common Stocks - Mutual Funds						50,209,893	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						51,786,919	XXX	0	XXX
9799999 - Subtotals - Common Stocks						51,786,919	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						51,786,919	XXX	0	XXX
9999999 Totals						491,822,064	XXX	1,536,920	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
3133XM-Q8-7	FEDERAL HOME LN BKS		04/22/2010	BOENNING & SCATTERGOOD IN		5,441,602	5,000,000	5,421,000	5,419,860		(14,234)		(14,234)		5,405,626		35,975	35,975	108,333	11/17/2017	1
3133XU-KV-4	FEDERAL HOME LOAN BANKS		05/20/2010	BOENNING & SCATTERGOOD IN		7,306,390	7,000,000	7,094,500	7,092,200		(4,755)		(4,755)		7,087,445		218,945	218,945	210,000	09/09/2016	1
3133XU-MS-9	FEDERAL HOME LOAN BANKS		06/04/2010	BOENNING & SCATTERGOOD IN		5,277,880	5,000,000	5,156,000	5,153,575		(5,330)		(5,330)		5,148,245		129,635	129,635	181,375	09/13/2019	1
31398A-YB-2	FEDERAL NATL MTG ASSN		06/18/2010	CALLED @ 100.0000000		350,000	350,000	344,422	344,556		120		120		344,676		5,324	5,324	8,750	06/18/2024	1
36225E-BM-3	GNMA PASS-THRU M ADJ HYBRID		06/20/2010	PRINCIPAL RECEIPT		93,064	93,064	89,836	89,912		3,153		3,153		93,064			0	1,246	02/20/2037	1
36202E-E9-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2010	PRINCIPAL RECEIPT		699	698	711	711		(12)		(12)		699			0	16	09/20/2035	1
36202E-QZ-5	GNMA PASS-THRU M SINGLE FAMILY		06/20/2010	PRINCIPAL RECEIPT		19,138	19,138	19,067	19,067		71		71		19,138			0	440	01/20/2038	1
36295N-A6-4	GNMA PASS-THRU X SINGLE FAMILY		06/15/2010	PRINCIPAL RECEIPT		46,026	46,025	46,256	46,255		(229)		(229)		46,026			0	1,046	02/15/2038	1
36225A-4V-9	GNMA POOL #780836 8.25% 4/15/		06/15/2010	PRINCIPAL RECEIPT		9,295	9,294	9,874	9,687		(392)		(392)		9,295			0	355	04/15/2020	1
83162C-LX-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2010	MERRILL LYNCH,PIERCE,FENN		40,569	40,569	41,961	40,569				0		40,569			0	1,183	12/01/2021	1
83162C-QG-1	SMALL BUS ADMIN GTD DEV PTC		05/01/2010	Credit Suisse First Bosto		62,961	62,960	65,518	64,897		(74)		(74)		64,824		(1,863)	(1,863)	1,856	05/01/2026	1
83162C-QH-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2010	MERRILL LYNCH,PIERCE,FENN		43,983	43,982	43,983	43,983				0		43,983			0	1,299	06/01/2026	1
912810-FF-0	UNITED STATES TREAS BDS		06/17/2010	GOLDMAN, SACHS & CO		469,577	400,000	435,953		(428)			(428)		435,525		34,051	34,051	12,668	11/15/2028	1
912810-PW-2	UNITED STATES TREAS BDS		06/04/2010	BOENNING & SCATTERGOOD IN		2,078,594	2,000,000	2,423,516	2,415,231	(3,868)			(3,868)		2,411,363		(332,770)	(332,770)	70,822	02/15/2038	1
912810-OC-5	UNITED STATES TREAS BDS		06/04/2010	BOENNING & SCATTERGOOD IN		20,424,922	20,000,000	20,790,625	20,788,450	(4,881)			(4,881)		20,783,569		(358,647)	(358,647)	670,276	08/15/2039	1
912810-OD-3	UNITED STATES TREAS BDS		06/15/2010	GOLDMAN, SACHS & CO		5,122	5,000	4,906		1			1		4,906		216	216	130	11/15/2039	1
912810-OE-1	UNITED STATES TREAS BDS		06/17/2010	VARIOUS		77,647,742	76,985,000	77,028,408		(7)			(7)		77,028,400		619,342	619,342	729,992	02/15/2040	1
912810-QH-4	UNITED STATES TREAS BDS		06/07/2010	VARIOUS		115,698,007	111,000,000	114,820,742		(14)			(14)		114,820,727		877,280	877,280	256,080	05/15/2040	1
912828-HX-1	UNITED STATES TREAS NTS		04/30/2010	MATURITY		9,000,000	9,000,000	9,112,897	9,054,151	(54,151)			(54,151)		9,000,000			0	95,625	04/30/2010	1
912828-JC-5	UNITED STATES TREAS NTS		06/30/2010	MATURITY		5,000,000	5,000,000	5,087,126	5,062,318	(62,318)			(62,318)		5,000,000			0	71,875	06/30/2010	1
912828-JJ-0	UNITED STATES TREAS NTS		05/20/2010	CREDIT SUISSE FIRST BOSTO		100,597	100,000	100,942		(339)			(339)		100,603		(5)	(5)	555	08/31/2010	1
912828-JY-7	UNITED STATES TREAS NTS		05/11/2010	VARIOUS		4,517,504	4,500,000	4,517,051	4,513,423	(4,110)			(4,110)		4,509,313		8,191	8,191	29,837	01/31/2011	1
912828-LM-0	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		21,237,187	21,000,000	21,022,969	21,021,051	(3,066)			(3,066)		21,017,984		219,203	219,203	203,448	09/15/2012	1
912828-MM-0	UNITED STATES TREAS NTS		06/21/2010	VARIOUS		2,205,746	2,190,000	2,182,465		399			399		2,182,864		22,882	22,882	15,814	01/31/2015	1
912828-MN-7	UNITED STATES TREAS NTS		06/28/2010	BOENNING & SCATTERGOOD IN		8,095,000	8,000,000	8,000,543		(56)			(56)		8,000,488		94,512	94,512	40,718	02/15/2013	1
912828-MP-2	UNITED STATES TREAS NTS		05/13/2010	VARIOUS		6,919,585	6,936,000	6,914,785		58			58		6,914,844		4,742	4,742	57,028	02/15/2020	1
912828-MQ-0	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		12,059,062	12,000,000	12,001,008		(254)			(254)		12,000,754		58,309	58,309	34,524	02/29/2012	1
912828-MR-8	UNITED STATES TREAS NTS		04/22/2010	BOENNING & SCATTERGOOD IN		4,979,297	5,000,000	5,002,369		(44)			(44)		5,002,325		(23,028)	(23,028)	17,425	02/28/2015	1
912828-MS-6	UNITED STATES TREAS NTS		05/21/2010	VARIOUS		701,034	700,000	694,944		74			74		695,018		6,016	6,016	3,755	02/28/2017	1
912828-MT-4	UNITED STATES TREAS NTS		06/28/2010	BOENNING & SCATTERGOOD IN		5,057,031	5,000,000	4,988,281		1,072			1,072		4,989,353		67,678	67,678	19,803	03/15/2013	1
912828-MU-1	UNITED STATES TREAS NTS		04/26/2010	LINSCO/PRIVATE LEDGER COR		59,920,132	60,000,000	59,887,650		2,907			2,907		59,890,557		29,575	29,575	44,262	03/31/2012	1
912828-MV-9	UNITED STATES TREAS NTS		05/26/2010	VARIOUS		498,108	480,000	481,710		(19)			(19)		481,691		16,417	16,417	2,523	03/31/2017	1
912828-MW-7	UNITED STATES TREAS NTS		06/04/2010	HSBC SECURITIES, INC		384,476	375,000	375,133		(3)			(3)		375,130		9,346	9,346	1,793	03/31/2015	1
912828-MZ-0	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		10,402,162	10,130,000	10,236,749		(1,850)			(1,850)		10,234,899		167,263	167,263	31,603	04/30/2015	1
912828-NA-4	UNITED STATES TREAS NTS		06/28/2010	VARIOUS		12,936,596	12,485,000	12,603,488		(1,501)			(1,501)		12,601,987		334,609	334,609	54,252	04/30/2017	1
912828-ND-8	UNITED STATES TREAS NTS		06/04/2010	VARIOUS		556,011	550,000	556,264		(8)			(8)		556,256		(244)	(244)	1,260	05/15/2020	1
912828-NE-6	UNITED STATES TREAS NTS		06/04/2010	BOENNING & SCATTERGOOD IN		3,999,375	4,000,000	3,995,625		6			6		3,995,631		3,744	3,744	574	05/31/2012	1
912828-NF-3	UNITED STATES TREAS NTS		06/21/2010	MORGAN STANLEY&CO INC PRO		351,545	350,000	352,339		(15)			(15)		352,324		(780)	(780)	488	05/31/2015	1
83162C-JX-2	US SMALL BUS ADMIN 99-200		04/01/2010	PRINCIPAL RECEIPT		8,711	8,711		8,711				0		8,711			0	268	04/01/2019	1
83162C-JR-5	US SMALL BUS ADMIN GTD 98-20L		06/01/2010	PRINCIPAL RECEIPT		14,393	14,392	14,393					0		14,393			0	417	12/01/2018	1
83162C-HM-8	US SMALL BUS ADMIN GTD DB97-20E		05/01/2010	MLPF&S Fixed Income Ops		3,221	3,221	3,221					0		3,221			0	118	05/01/2017	1
83162C-JF-1	US SMALL BUS ADMIN GTD DEV 98-20E		05/01/2010	PRINCIPAL RECEIPT		32,108	32,107	32,590			(335)		(335)		32,108			0	1,011	05/01/2018	1
912828-MJ-6	US TREAS 0.875% 1/31/		05/20/2010	BOENNING & SCATTERGOOD IN		9,026,016	9,000,000	9,015,469		(2,092)			(2,092)		9,013,377		12,639	12,639	24,800	01/31/2012	1
0399999 - Totals - Bonds - U.S. Governments						413,020,468	404,910,168	411,036,000	81,238,664	0	(156,524)	0	(156,524)	0	410,761,911	0	2,258,557	2,258,557	3,009,643	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31403D-DB-2	FEDERAL NATL MTG AS 6.000% 6/01/		06/25/2010	PRINCIPAL RECEIPT		53,726	53,725	54,251	54,212		(486)		(486)		53,726			0	1,281	06/01/2035	1
3128KC-QJ-9	FHLNC GOLD #A50457 6.000% 7/01/		06/15/2010	PRINCIPAL RECEIPT		18,117	18,117	17,752	17,760		358		358		18,117			0	503	07/01/2036	1
31292H-GP-3	FHLNC GOLD POOL #C01106		06/15/2010	PRINCIPAL RECEIPT		595	595	602		(7)			(7)		595			0	19	12/01/2030	1
31283K-F7-8	FHLNC GOLD POOL #G11090		06/15/2010	PRINCIPAL RECEIPT		17,244	17,244	17,877		(279)			(279)		17,244			0	437	02/01/2015	1
3128JM-BB-2	FHLNC PC 1YR		06/15/2010	PRINCIPAL RECEIPT		51,930	51,929	50,550	50,567		1,363		1,363		51,930			0	752	08/01/2034	1

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3128MT-6K-9...	FHLNC PC GOLD 10/20 11		06/15/2010	PRINCIPAL RECEIPT		72,246	72,246	73,183	73,166		(920)		(920)		72,246			0	1,913	09/01/2037	1
3128UN-CE-0...	FHLNC PC GOLD 10/20 11		06/15/2010	PRINCIPAL RECEIPT		89,428	89,427	90,727	90,715		(1,288)		(1,288)		89,428			0	2,344	09/01/2037	1
3128PP-5V-1...	FHLNC PC GOLD 15 YR		06/15/2010	PRINCIPAL RECEIPT		323,288	323,287	334,300			(11,012)		(11,012)		323,288			0	4,759	09/01/2024	1
3128PQ-RW-3...	FHLNC PC GOLD 15 YR		05/20/2010	VARIOUS		10,790,188	10,302,769	10,656,927			(17,194)		(17,194)		10,639,733		150,455	150,455	183,593	12/01/2024	1
31294L-PZ-0...	FHLNC PC CASH 15 GOLD		06/15/2010	PRINCIPAL RECEIPT		148,438	148,438	150,920	150,357		(1,919)		(1,919)		148,438			0	3,696	12/01/2016	1
31288B-6V-0...	FHLNC PC CASH 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		118,959	118,959	120,632	120,574		(1,615)		(1,615)		118,959			0	2,658	11/01/2032	1
3128MB-EG-8...	FHLNC PC COMB 15 GOLD		06/15/2010	PRINCIPAL RECEIPT		114,376	114,375	114,818	114,749		(374)		(374)		114,376			0	2,604	03/01/2022	1
3128MM-AG-8...	FHLNC PC COMB 15 GOLD		06/15/2010	PRINCIPAL RECEIPT		100,467	100,466	108,049	108,082		(7,615)		(7,615)		100,467			0	2,350	08/01/2019	1
312964-TT-6...	FHLNC PC COMB 15 GOLD		06/15/2010	PRINCIPAL RECEIPT		11,395	11,395	11,445	11,431		(36)		(36)		11,395			0	261	02/01/2019	1
31283H-6C-4...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		133,182	133,182	135,742	135,679		(2,497)		(2,497)		133,182			0	3,542	12/01/2032	1
31283H-6D-2...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		67,615	67,614	69,120	69,063		(1,448)		(1,448)		67,615			0	1,877	12/01/2031	1
31283H-Z6-5...	FHLNC PC COMB 30 GOLD		05/15/2010	VARIOUS		344,566	325,859	347,346			(1,088)		(1,088)		346,258		(1,692)	(1,692)	3,526	03/01/2034	1
3128KT-L3-2...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		25,272	25,271	25,552	25,550		(279)		(279)		25,272			0	599	07/01/2037	1
3128M5-HJ-2...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		33,388	33,388	33,712	33,709		(321)		(321)		33,388			0	818	06/01/2036	1
3128M6-EF-1...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		20,989	20,988	19,915	19,928		1,061		1,061		20,989			0	431	04/01/2038	1
3128M6-SG-4...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		693,321	693,321	729,504	730,325		(37,004)		(37,004)		693,321			0	15,201	01/01/2038	1
3128MJ-CJ-7...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		23,462	23,461	24,257	24,266		(804)		(804)		23,462			0	492	08/01/2035	1
312929-CN-0...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		3,429	3,429	3,345	3,345		84		84		3,429			0	65	11/01/2038	1
312934-3B-6...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		118,196	118,195	122,961	123,017		(4,821)		(4,821)		118,196			0	2,608	08/01/2039	1
312936-6H-5...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		6,298	6,298	6,550			(252)		(252)		6,298			0	82	11/01/2039	1
312937-BL-8...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		1,979	1,978	2,058			(79)		(79)		1,979			0	25	11/01/2039	1
312938-PE-7...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		6,251	6,250	6,346	6,347		(96)		(96)		6,251			0	116	12/01/2039	1
31297H-FF-1...	FHLNC PC COMB 30 GOLD		06/15/2010	PRINCIPAL RECEIPT		122,988	122,987	124,506	124,497		(1,509)		(1,509)		122,988			0	2,470	12/01/2034	1
31349S-C9-2...	FHLNC PC 30YR GUAR ADJ		06/15/2010	PRINCIPAL RECEIPT		234,821	234,820	227,180	227,217		7,604		7,604		234,821			0	4,235	10/01/2033	1
3128NC-LA-0...	ARM FHLNC PC 11 HYBRD		06/15/2010	PRINCIPAL RECEIPT		176,872	176,872	174,254	174,275		2,597		2,597		176,872			0	3,421	09/01/2035	1
3128NH-VA-8...	ARM FHLNC PC 11 HYBRD		06/15/2010	PRINCIPAL RECEIPT		1,359,702	1,359,701	1,390,932	1,391,399		(31,697)		(31,697)		1,359,702			0	31,363	11/01/2036	1
31290K-VZ-9...	FHLNC POOL #555132		06/15/2010	PRINCIPAL RECEIPT		1,299	1,299	1,325	1,321		(22)		(22)		1,299			0	39	07/01/2020	1
313376-5S-6...	FHLNC REMIC 1832 F 6.5%		06/15/2010	PRINCIPAL RECEIPT		60,164	60,164	59,382	60,490		(326)		(326)		60,164			0	1,627	03/15/2011	1
31395L-7G-0...	FHLNC REMIC SERIES 2923		06/15/2010	PRINCIPAL RECEIPT		72,212	72,212	76,026			(3,814)		(3,814)		72,212			0	878	10/15/2032	1
31395P-LL-4...	FHLNC REMIC SERIES 2953		06/15/2010	PRINCIPAL RECEIPT		173,513	173,513	181,864			(8,350)		(8,350)		173,513			0	1,301	01/15/2023	1
31397P-5M-8...	FHLNC REMIC SERIES 3389		06/15/2010	PRINCIPAL RECEIPT		413,352	413,351	417,485	416,931		(3,580)		(3,580)		413,352			0	10,548	12/15/2035	1
31392W-7B-0...	FHLNC REMIC SERIES T-051		06/25/2010	PRINCIPAL RECEIPT		9,907	9,906	10,056	11,397		(1,490)		(1,490)		9,907			0	226	09/25/2043	1
31392W-EM-0...	FHLNC REMIC SERIES T0041		06/25/2010	PRINCIPAL RECEIPT		7,571	7,570	7,864	7,563		7		7		7,571			0	206	07/25/2032	1
31359S-R6-9...	FNMA GR TR SERIES 2001-T4		06/25/2010	PRINCIPAL RECEIPT		7,894	7,894	8,143	7,949		(55)		(55)		7,894			0	235	07/25/2028	1
31392F-DC-8...	FNMA GRANTOR TRUST 2002-T16		06/25/2010	PRINCIPAL RECEIPT		39,330	39,329	40,313	40,265		(935)		(935)		39,330			0	1,109	07/25/2042	1
31409U-WM-3...	FNMA PASS-THRU LIBOR ADJ		06/25/2010	PRINCIPAL RECEIPT		142,317	142,317	143,529	143,525		(1,208)		(1,208)		142,317			0	3,073	11/01/2035	1
31411N-P5-0...	FNMA PASS-THRU LIBOR ADJ		06/25/2010	PRINCIPAL RECEIPT		78,453	78,452	78,305	78,303		150		150		78,453			0	1,925	02/01/2037	1

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SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31381D-YY-5	FNMA PASS-THRU GNW-BK MGA 30		06/25/2010	PRINCIPAL RECEIPT		1,510	1,509	1,530	1,526		(16)		(16)		1,510			0	43	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SNGLE FAM		06/25/2010	PRINCIPAL RECEIPT		10,196	10,196	10,746	10,731		(535)		(535)		10,196			0	296	10/01/2032	1
31385W-5T-2	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		205,443	205,442	209,198	208,360		(2,917)		(2,917)		205,443			0	4,886	12/01/2017	1
31391C-5F-8	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		9,943	9,942	9,925	9,921		21		21		9,943			0	216	09/01/2017	1
31391U-4Q-5	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		334	333	333	333		1		1		334			0	8	02/01/2018	1
31402C-RT-1	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		255,395	255,394	256,991	256,570		(1,175)		(1,175)		255,395			0	5,445	12/01/2018	1
31402R-D2-2	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		11,169	11,168	11,141	11,139		30		30		11,169			0	265	03/01/2020	1
31403C-2Z-3	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		6,082	6,082	6,062	6,062		21		21		6,082			0	145	06/01/2020	1
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		305,314	305,313	310,848	310,086		(4,772)		(4,772)		305,314			0	7,289	03/01/2021	1
31403R-KJ-6	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		2,161	2,160	2,156	2,155		6		6		2,161			0	52	11/01/2018	1
31410G-5Q-2	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		23,187	23,187	23,933	23,909		(722)		(722)		23,187			0	492	03/01/2023	1
31410G-RV-7	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		206,306	206,306	221,167			(14,861)		(14,861)		206,306			0	2,974	10/01/2021	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		304,995	304,994	309,855	309,438		(4,444)		(4,444)		304,995			0	7,268	11/01/2021	1
31413J-CZ-5	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		34,491	34,490	35,768	35,753		(1,262)		(1,262)		34,491			0	718	09/01/2022	1
31414K-TE-0	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		42,153	42,152	42,056	42,055		98		98		42,153			0	919	01/01/2023	1
31414U-AQ-1	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		3,271	3,271	3,263	3,263		8		8		3,271			0	67	06/01/2023	1
31414X-ZC-9	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		29,032	29,031	28,288	28,315		717		717		29,032			0	600	06/01/2023	1
31415P-WM-6	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		8,077	8,077	8,047	8,047		30		30		8,077			0	172	07/01/2023	1
31416B-QK-7	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		14,128	14,127	14,358	14,345		(217)		(217)		14,128			0	261	12/01/2020	1
31417Q-5Q-3	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		318,818	318,817	331,073	331,296		(12,478)		(12,478)		318,818			0	5,977	11/01/2024	1
31417Y-4Y-6	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		142,510	142,509	149,190			(6,680)		(6,680)		142,510			0	1,071	01/01/2025	1
31417Y-JK-4	FNMA PASS-THRU INT 15 YEAR		06/25/2010	PRINCIPAL RECEIPT		129,778	129,778	137,393			(7,614)		(7,614)		129,778			0	1,755	11/01/2024	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		417,526	417,526	441,012	441,410		(23,884)		(23,884)		417,526			0	9,879	12/01/2033	1
31368H-MB-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		207,217	207,216	219,876			(12,660)		(12,660)		207,217			0	2,206	12/01/2034	1
31371K-ZZ-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		24,574	24,574	24,466	24,467		108		108		24,574			0	588	03/01/2033	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		672,831	672,831	705,053	704,961		(32,130)		(32,130)		672,831			0	16,178	08/01/2037	1
31376K-TT-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	VARIOUS		92,700	89,597	89,556	89,558		10		10		89,568		3,131	3,131	1,933	09/01/2035	1
31385X-EC-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		220,420	220,419	235,195	235,173		(14,754)		(14,754)		220,420			0	4,781	06/01/2033	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		368,749	368,749	394,619	394,980		(26,231)		(26,231)		368,749			0	8,844	03/01/2034	1
31402D-JS-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		298,538	298,538	316,730			(18,192)		(18,192)		298,538			0	3,151	09/01/2034	1
31402Q-WA-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	VARIOUS		563,396	535,390	521,420	521,650		1,792		1,792		523,443		39,953	39,953	11,131	01/01/2035	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		86,689	86,689	89,026	88,962		(2,273)		(2,273)		86,689			0	2,080	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2010	PRINCIPAL RECEIPT		148,469	148,468	152,703	152,686		(4,217)		(4,217)		148,469			0	3,458	03/01/2035	1

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										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31402R-H2-8..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		34,847	34,846	35,171	35,157		(310)		(310)		34,847			0	831	12/01/2032..	1
31403C-6L-0..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		95,207	95,206	97,494	97,471		(2,264)		(2,264)		95,207			0	2,109	02/01/2036..	1
31405X-C6-8..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		7,389	7,388	7,367	7,368		21		21		7,389			0	180	11/01/2034..	1
31408H-3H-6..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		150,953	150,952	149,325	149,337		1,616		1,616		150,953			0	3,915	02/01/2036..	1
31410F-2Q-7..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		5,831	5,831	5,817	5,817		14		14		5,831			0	127	08/01/2034..	1
31410F-5D-3..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		152,310	152,310	147,301	147,374		4,936		4,936		152,310			0	3,444	10/01/2035..	1
31410F-T6-2..	FNMA PASS-THRU LNG 30 YEAR		05/25/2010..	VARIOUS.....		119,312	113,075	112,377	112,381		32		32		112,413		6,899	6,899	2,777	02/01/2035..	1
31410G-KA-0..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		43,850	43,849	42,408	42,427		1,422		1,422		43,850			0	974	12/01/2036..	1
31410K-XE-9..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	VARIOUS.....		12,710,194	12,024,556	12,738,515			(81,063)		(81,063)		12,657,451		52,743	52,743	205,066	10/01/2038..	1
31410Q-NP-2..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		48,494	48,494	49,782	49,776		(1,282)		(1,282)		48,494			0	1,172	10/01/2036..	1
31412P-G4-7..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		17,584	17,583	17,757			(173)		(173)		17,584			0	274	04/01/2039..	1
31412Q-NL-9..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		131,112	131,112	136,520			(5,408)		(5,408)		131,112			0	1,605	09/01/2039..	1
31413U-TP-4..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		40,023	40,022	40,998	40,993		(970)		(970)		40,023			0	992	12/01/2037..	1
31414H-KB-2..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		57,573	57,573	59,013	59,009		(1,436)		(1,436)		57,573			0	1,472	01/01/2038..	1
31414R-NH-4..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		24,696	24,696	24,035	24,042		655		655		24,696			0	520	03/01/2038..	1
31414S-YB-3..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	VARIOUS.....		3,364,036	3,193,950	3,392,075			(9,185)		(9,185)		3,382,890		(18,855)	(18,855)	36,480	06/01/2038..	1
31416B-6L-7..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		69,505	69,505	73,398			(3,893)		(3,893)		69,505			0	872	09/01/2036..	1
31416B-L7-1..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		497,610	497,609	531,587			(33,977)		(33,977)		497,610			0	4,903	09/01/2037..	1
31416B-RY-6..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		45,062	45,062	46,731	46,771		(1,709)		(1,709)		45,062			0	980	07/01/2035..	1
31416B-W4-6..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		148,262	148,261	158,640			(10,378)		(10,378)		148,262			0		11/01/2038..	1
31416B-XR-4..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		341,579	341,578	353,614	353,571		(11,993)		(11,993)		341,579			0	8,441	08/01/2037..	1
31416T-5F-2..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		10,894	10,893	11,062	11,064		(171)		(171)		10,894			0	211	08/01/2039..	1
31417N-BY-6..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		3,902	3,902	4,054			(152)		(152)		3,902			0	53	10/01/2039..	1
31417Q-TJ-3..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		89,044	89,044	92,230	92,291		(3,247)		(3,247)		89,044			0	1,684	10/01/2039..	1
31417T-MA-3..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		56,575	56,575	57,238			(663)		(663)		56,575			0	632	12/01/2039..	1
31418N-A9-1..	FNMA PASS-THRU LNG 30 YEAR		06/25/2010..	PRINCIPAL RECEIPT.....		186,324	186,324	197,038			(10,714)		(10,714)		186,324			0		07/01/2035..	1
31371N-LS-2..	7-10YR FNMA PASS-THRU LNG 10		06/25/2010..	PRINCIPAL RECEIPT.....		697,443	697,443	710,193	710,500		(13,056)		(13,056)		697,443			0	15,851	10/01/2037..	1
31413Q-PD-4..	7-10YR FNMA PASS-THRU LNG 10		06/25/2010..	PRINCIPAL RECEIPT.....		947,496	947,495	975,033	975,564		(28,068)		(28,068)		947,496			0	21,294	10/01/2037..	1
31418M-CG-5..	7-10YR FNMA PASS-THRU LNG 10		06/25/2010..	PRINCIPAL RECEIPT.....		1,599,679	1,599,679	1,706,658	1,710,091		(110,412)		(110,412)		1,599,679			0	36,133	12/01/2037..	1
31418M-XZ-0..	7-10YR FNMA PASS-THRU LNG 10		06/25/2010..	PRINCIPAL RECEIPT.....		347,357	347,357	370,071			(22,714)		(22,714)		347,357			0	6,699	05/01/2038..	1
31385J-HW-1..	MULTI 7 FNMA PASS-THRU MEGA		06/25/2010..	PRINCIPAL RECEIPT.....		855	854	884	868		(14)		(14)		855			0	21	07/01/2012..	1
31385X-HZ-3..	MULTI 7 FNMA PASS-THRU MEGA		06/25/2010..	PRINCIPAL RECEIPT.....		5,897	5,896	5,732	5,778		118		118		5,897			0	105	06/01/2013..	1

STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31402C-5S-7...	FNMA PASS-THRU MEGA MULTI 7...		06/25/2010...	PRINCIPAL RECEIPT...		1,646	1,645	1,589	1,608		38		38		1,646			0	30	04/01/2014...	1
31403D-GP-8...	FNMA PASS-THRU MEGA MULTI 7...		06/25/2010...	PRINCIPAL RECEIPT...		3,431	3,430	3,571	3,555	(125)	(125)		(125)		3,431			0	80	02/01/2016...	1
31402D-FV-7...	FNMA PASS-THRU INT 15 YEAR 725680...		06/25/2010...	PRINCIPAL RECEIPT...		72,539	72,539	76,251	74,991	(2,452)	(2,452)		(2,452)		72,539			0	1,786	07/01/2017...	1
31410K-6E-9...	FNMA PASS-THRU INT 15 YEAR...		06/25/2010...	PRINCIPAL RECEIPT...		40,380	40,379	42,443	42,443	(2,064)	(2,064)		(2,064)		40,380			0	841	03/01/2024...	1
31410K-6G-4...	FNMA PASS-THRU INT 15 YEAR...		06/25/2010...	PRINCIPAL RECEIPT...		15,479	15,478	16,291	16,289	(811)	(811)		(811)		15,479			0	327	09/01/2024...	1
31378H-UH-2...	FNMA PASSTHRU POOL # 399384...		06/25/2010...	PRINCIPAL RECEIPT...		5,983	5,982	6,121	6,012	(29)	(29)		(29)		5,983			0	175	09/01/2012...	1
31371K-T9-2...	FNMA POOL #254476 5.5%...		06/25/2010...	PRINCIPAL RECEIPT...		35,591	35,591	35,702	35,683	(92)	(92)		(92)		35,591			0	873	09/01/2032...	1
31384V-ML-3...	FNMA POOL #535063 6.50%...		06/25/2010...	PRINCIPAL RECEIPT...		21,315	21,315	21,988	21,607	(292)	(292)		(292)		21,315			0	535	12/01/2014...	1
31385W-UE-7...	FNMA POOL #555081 6.329%...		06/25/2010...	PRINCIPAL RECEIPT...		24,214	24,214	26,513	24,785	(571)	(571)		(571)		24,214			0	644	03/01/2012...	1
31387D-3Q-0...	FNMA POOL #581407...		06/25/2010...	PRINCIPAL RECEIPT...		5,853	5,852	5,953	5,948	(95)	(95)		(95)		5,853			0	157	06/01/2031...	1
31405P-LQ-1...	FNMA POOL #795135...		06/25/2010...	PRINCIPAL RECEIPT...		34,574	34,573	33,740	33,756		817		817		34,574			0	350	10/01/2034...	1
31410F-UC-7...	4.602% 10/01/ FNMA POOL #888079...		06/25/2010...	PRINCIPAL RECEIPT...		191,119	191,118	195,457	195,117	(3,998)	(3,998)		(3,998)		191,119			0	4,559	10/01/2026...	1
31410G-TM-5...	6.500% 10/01/ FNMA POOL #888956...		06/25/2010...	PRINCIPAL RECEIPT...		125,813	125,813	128,182	128,121	(2,308)	(2,308)		(2,308)		125,813			0	2,971	03/01/2036...	1
31410K-MG-6...	6.000% 3/01/ FNMA POOL #889659...		06/25/2010...	PRINCIPAL RECEIPT...		64,504	64,503	62,090	62,133	2,370	2,370		2,370		64,504			0	1,419	12/01/2036...	1
31410K-UK-8...	5.000% 12/01/ FNMA POOL #889886...		06/25/2010...	PRINCIPAL RECEIPT...		428,005	428,004	448,067	448,026	(20,021)	(20,021)		(20,021)		428,005			0	10,378	12/01/2037...	1
31416C-EZ-5...	7.000% 12/01/ FNMA POOL #995752...		06/25/2010...	PRINCIPAL RECEIPT...		17,098	17,098	17,394	17,391	(293)	(293)		(293)		17,098			0	328	05/01/2039...	1
31418W-G3-0...	4.500% 5/01/ FNMA POOL #AD0217...		06/25/2010...	PRINCIPAL RECEIPT...		452,313	452,313	478,039	478,033	(25,720)	(25,720)		(25,720)		452,313			0	10,824	09/01/2039...	1
31418W-J5-2...	6.000% 9/01/ FNMA POOL #AD0283...		06/25/2010...	PRINCIPAL RECEIPT...		452,313	452,313	478,039	478,033	(25,720)	(25,720)		(25,720)		452,313			0	10,824	09/01/2039...	1
31418W-Q7-0...	5.500% 9/01/ FNMA POOL #AD0477...		05/25/2010...	VARIOUS		4,242,872	3,961,362	4,211,114	4,209,440	(19,256)	(19,256)		(19,256)		4,190,185		52,687	52,687	96,360	09/01/2024...	1
31418W-Q7-0...	5.500% 12/01/ FNMA POOL #AD0477...		06/25/2010...	PRINCIPAL RECEIPT...		140,344	140,343	150,914	150,838	(10,494)	(10,494)		(10,494)		140,344			0	2,993	06/01/2020...	1
31418W-4T-6...	6.000% 3/01/ FNMA POOL #AD0833...		06/25/2010...	PRINCIPAL RECEIPT...		576,606	576,606	612,644	612,644	(36,038)	(36,038)		(36,038)		576,606			0	5,269	01/01/2039...	1
31387H-3W-8...	FNMA POOL #585013...		06/25/2010...	PRINCIPAL RECEIPT...		2,600	2,600	2,706	2,633	(73)	(73)		(73)		2,600			0	66	06/01/2014...	1
31394U-ZK-1...	FNMA REMIC		06/25/2010...	PRINCIPAL RECEIPT...		23,781	23,780	24,232	24,071	(290)	(290)		(290)		23,781			0	592	10/25/2032...	1
31392D-P9-7...	6.000% 10/25/ FNMA REMIC TRUST...		06/25/2010...	PRINCIPAL RECEIPT...		5,614	5,614	5,889	5,647	(33)	(33)		(33)		5,614			0	157	06/25/2042...	1
31392E-S8-4...	FNMA REMIC TRUST 2002-W10...		06/25/2010...	PRINCIPAL RECEIPT...		29,650	29,650	29,613	29,614	37	37		37		29,650			0	667	08/25/2042...	1
31392D-H7-0...	FNMA REMIC TRUST 2002-W6...		06/25/2010...	PRINCIPAL RECEIPT...		16,768	16,768	18,393	17,224	(456)	(456)		(456)		16,768			0	504	06/25/2042...	1
31395N-U4-7...	FNMA REMIC TRUST 2006-59...		06/25/2010...	PRINCIPAL RECEIPT...		296,431	296,430	297,913	297,100	(669)	(669)		(669)		296,431			0	6,779	02/25/2029...	1
31397L-NJ-4...	FNMA REMIC TRUST 2008-40...		06/25/2010...	PRINCIPAL RECEIPT...		1,165,147	1,165,147	1,187,540	1,183,522	(18,375)	(18,375)		(18,375)		1,165,147			0	27,762	03/25/2031...	1
38375J-M9-3...	FNMA REMIC TRUST 2007-27...		06/20/2010...	PRINCIPAL RECEIPT...		213,131	213,130	213,530	213,389	(258)	(258)		(258)		213,131			0	4,471	09/20/2036...	1
3199999 - Totals - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						51,757,838	50,077,131	52,286,579	21,339,876	0	(806,337)	0	(806,337)	0	51,472,515	0	285,321	285,321	946,070	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
002824-AY-6...	ABBOTT LABS. AERO 1 HQ FIN TR		06/09/2010...	SALOMON SMITH BARNEY INC/...		201,738	200,000	198,456		1			1		198,457		3,281	3,281	501	05/27/2040...	1FE
00768R-AB-8...	4.890% 7/07/ ALLEGHENY TECHNOLOGIES		04/01/2010...	VARIOUS		2,655,930	2,676,000	2,447,310	2,603,222	34,605	34,605		34,605		2,637,827		18,103	18,103	45,800	07/07/2010...	2FE
01741R-AD-4...	INC. AMERICAN EXPRESS CREDIT		06/03/2010...	VARIOUS		1,702,681	1,200,000	1,333,805	1,318,834	(11,026)	(11,026)		(11,026)		1,307,808		394,873	394,873	26,492	06/01/2014...	2FE
025822-AA-5...	2006-3 AMERICREDIT AUTO REC		05/17/2010...	MORGAN KEEGAN & COMPANY I...		1,492,500	1,500,000	1,500,000	1,500,000	0	0		0		1,500,000		(7,500)	(7,500)	1,681	03/15/2014...	1FE
03063V-AE-9...	2008-2 AMGEN INC.		06/06/2010...	PRINCIPAL RECEIPT...		32,523	32,523	33,311	33,303	(780)	(780)		(780)		32,523			0	565	08/06/2012...	1FE
031162-AQ-3...	06/03/2010... WACHOVIA SECURITIES CAPIT.		06/03/2010...	VARIOUS		400,000	400,000	358,500	371,285	3,784	3,784		3,784		375,069		24,931	24,931	1,279	02/01/2013...	1FE
032511-AV-3...	ANADARKO PETE CORP. APOGENT TECHNOLOGIES Zero		04/20/2010...	GOLDMAN, SACHS & CO.		149,495	145,000	150,187		(8)	(8)		(8)		150,178		(683)	(683)	987	09/15/2036...	2FE
03760A-AK-7...	coupon ASTRAZENECA PLC.		05/06/2010...	VARIOUS		1,990,480	1,100,000	1,373,724	1,364,346	(4,034)	(4,034)		(4,034)		1,360,312		630,169	630,169	1,126	12/15/2033...	1FE
046353-AD-0...	05/20/2010... STIFEL, NICOLAUS & CO., IN.		05/20/2010...	VARIOUS		1,166,960	1,000,000	1,157,730	1,157,529	(977)	(977)		(977)		1,156,551		10,409	10,409	44,792	09/15/2037...	1FE
001957-BD-0...	AT&T CORP. STEP UP		06/08/2010...	DEUTSCHE BANK SECURITIES...		497,200	400,000	350,000	372,332	179	179		179		372,511		124,689	124,689	18,311	11/15/2031...	1FE
05949C-CA-2...	BA MTG SECS INC 2005-F		06/04/2010...	VARIOUS		1,035,862	1,215,164	1,093,648	1,157,726	3,303	3,303		3,303		1,161,029		(125,167)	(125,167)	27,774	07/25/2035...	12*
05947U-ES-3...	BANC AMER CMBS 2002-PB2...		06/11/2010...	PRINCIPAL RECEIPT...		4,836	4,836	5,071	5,029	(193)	(193)		(193)		4,836			0	130	06/11/2035...	1FE
06051G-DZ-8...	BANK AMER FDG CORP.		04/22/2010...	CHASE SECURITIES, INC.		638,282	560,000	646,912		(1,084)	(1,084)		(1,084)		645,828		(7,546)	(7,546)	17,317	06/01/2019...	1FE
06051G-EA-3...	BANK AMER FDG CORP.		04/21/2010...	BANC AMERICA SECURITIES L...		297,660	275,000	297,836	297,609	(892)	(892)		(892)		296,717		943	943	13,307	08/01/2016...	1FE

## STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
060516-EB-1	BANK AMER FDG CORP		04/22/2010	CHASE SECURITIES, INC.		377,805	375,000	374,621			.8		.8		374,629		3,176	3,176	2,156	04/01/2015	1FE
060505-DH-4	BANK OF AMERICA CORPORATION		04/22/2010	Barclays Capital		41,524	40,000	39,910	39,927		.2		.2		39,929		1,595	1,595	1,573	09/01/2017	1FE
06739F-GP-0	BARCLAYS BANK PLC	F	05/20/2010	MIZUHO SECURITIES USA INC.		2,460,475	2,500,000	2,497,350			.236		.236		2,497,586		(37,111)	(37,111)	31,597	01/23/2013	1FE
07384M-YT-3	BEAR STEARNS ARM TR 2003-		06/25/2010	PRINCIPAL RECEIPT		177,537	177,536	176,205			1,332		1,332		177,537			0	1,264	10/25/2033	12*
084423-AP-7	BERKLEY W R CORP		04/30/2010	WALL STREET ACCESS		936,680	1,000,000	916,770	919,044		345		345		919,390		17,290	17,290	45,139	02/15/2037	2FE
05568Y-AA-6	BNSF RAILWAY CO 2007-1		04/01/2010	PRINCIPAL RECEIPT		40,754	40,753	40,754	40,754				0		40,754			0	1,222	04/01/2024	1FE
10138M-AH-8	BOTTLING GROUP LLC		05/20/2010	WALL STREET ACCESS		1,758,750	1,500,000	1,742,205			(20,504)		(20,504)		1,721,701		37,049	37,049	72,396	03/15/2014	1FE
116663-AC-9	6.950% 3/15/ BRUCE MANSFIELD UNIT 2007-1		06/01/2010	VARIOUS		533	532	533	533				0		533			0	18	06/01/2034	2FE
13342B-AB-1	CAMERON INTERNATIONAL CORP		05/17/2010	VARIOUS		3,120,751	2,575,000	2,675,162	2,661,683		(1,568)		(1,568)		2,660,115		460,635	460,635	26,794	06/15/2026	2FE
143658-AN-2	CARNIVAL CORP. CONV.		05/24/2010	GOLDMAN, SACHS & CO.		216,500	200,000	261,281	244,004		(1,550)		(1,550)		242,454		(25,954)	(25,954)	2,467	04/25/2021	2FE
144141-CS-5	2.00% CAROLINA PWR & LT		05/20/2010	WALL STREET ACCESS		3,624,450	3,310,000	3,677,056			(40,378)		(40,378)		3,636,678		(12,228)	(12,228)	77,693	07/15/2012	1FE
161630-AQ-1	2007-A1 CHASE MORTGAGE FIN TR		06/25/2010	PRINCIPAL RECEIPT		74,569	74,569	72,612	72,658		1,911		1,911		74,569			0	1,245	02/25/2037	12*
16165T-BM-4	CHASEFLEX TRUST 2005-2		06/01/2010	VARIOUS		5,008,108	5,391,121	4,892,443	4,944,344		63,880		63,880		5,008,224		(116)	(116)	149,996	06/25/2035	22*
17275R-AD-4	CISCO SYS INC.		06/15/2010	STIFEL, NICOLAUS & CO., INC.		2,107,700	2,000,000	2,098,620	2,098,513		(633)		(633)		2,097,880		9,820	9,820	99,317	02/15/2039	1FE
17312K-AQ-5	CITICORP MTG SEC REMIC 2007-5		06/25/2010	PRINCIPAL RECEIPT		12,653	12,652	10,945	11,084		1,569		1,569		12,653			0	289	06/25/2037	12*
17313Y-AL-5	CITIGROUP FDG INC GTD		06/25/2010	VARIOUS		1,274,400	1,250,000	1,251,533	1,251,471		(249)		(249)		1,251,223		23,177	23,177	18,099	10/22/2012	1FE
12612W-AB-0	TLGP CNF INC.		06/24/2010	RBC CAPITAL MARKETS CORP.		517,330	543,000	516,800	518,056		165		165		518,221		(891)	(891)	21,531	05/01/2034	2FE
20030N-BA-8	COMCAST CORP NEW		06/28/2010	MITSUBISHI UFJ SECURITIES		233,933	225,000	224,773			.6		.6		224,778		9,154	9,154	3,830	03/01/2020	2FE
20046P-AB-4	COMM 2000-C1		05/15/2010	PRINCIPAL RECEIPT		131,343	131,342	141,306	132,167		(824)		(824)		131,343			0	3,406	08/15/2033	1FE
225460-AC-1	CREDIT SUISSE NEW YORK BRANCH	R	06/09/2010	VARIOUS		463,689	450,000	458,939	458,724		(286)		(286)		458,438		5,252	5,252	18,170	08/13/2019	1FE
225460-AD-9	CREDIT SUISSE NEW YORK BRANCH	R	04/27/2010	VARIOUS		1,301,327	1,275,000	1,272,689			.42		.42		1,272,731		28,596	28,596	19,837	01/14/2020	1FE
225458-UE-6	CSFB MTG PTC 2005-5		06/25/2010	PRINCIPAL RECEIPT		13,467	13,467	13,623	11,594	2,014	(141)		1,873		13,467			0	354	07/25/2035	12*
126408-GO-0	CSX CORP		06/09/2010	MORGAN STANLEY&CO INC PRO		45,637	38,000	44,669			(160)		(160)		44,509		1,129	1,129	1,035	02/01/2019	2FE
126650-BU-3	CYS CAREMARK CORPORATION		05/27/2010	NOMURA SECURITIES INTL		422,926	425,000	422,896			.4		.4		422,900		26	26	785	05/18/2020	1FE
12668A-Z3-2	5.500% 12/25/		06/25/2010	PRINCIPAL RECEIPT		17,186	17,185	17,244	14,549	2,679	(42)		2,637		17,186			0	394	12/25/2035	12*
12668A-N2-7	CWALT INC 2005-69		06/25/2010	PRINCIPAL RECEIPT		4,847	4,846	3,390	3,460		1,387		1,387		4,847			0	31	12/25/2035	12*
02146T-AA-5	CWALT INC 2006-24CB		06/25/2010	PRINCIPAL RECEIPT		38,089	38,088	37,297	30,694	6,656	739		7,395		38,089			0	931	08/25/2036	12*
02148Y-AC-8	CWALT INC 2006-42		06/25/2010	PRINCIPAL RECEIPT		248,112	248,112	199,780	199,780		48,332		48,332		248,112			0	6,246	01/25/2047	12*
02149V-AU-3	CWALT INC 2007-3T1		06/04/2010	VARIOUS		4,056,408	5,039,132	4,774,578	4,771,393		8,280		8,280		4,779,674		(723,266)	(723,266)	140,923	03/25/2027	12*
126694-HM-3	CWBS INC 2005-25		06/25/2010	PRINCIPAL RECEIPT		50,755	50,755	50,375	50,485		270		270		50,755			0	1,151	11/25/2035	12*
235851-AF-9	DANAHER CORP		04/26/2010	VARIOUS		202,950	165,000	170,608	169,327		(127)		(127)		169,199		33,751	33,751		01/22/2021	1FE
260003-AE-8	DOVER CORP.		05/20/2010	MIZUHO SECURITIES USA INC.		2,206,920	2,000,000	2,180,180			(10,591)		(10,591)		2,169,589		37,331	37,331	59,583	10/15/2015	1FE
26864B-AK-8	E M C CORP MASS.		06/03/2010	KBC FINANCIAL PRODUCTS		372,894	300,000	379,254	337,259		(8,471)		(8,471)		328,788		44,106	44,106	2,727	12/01/2011	1FE
26875P-AE-1	EOG RES INC.		06/22/2010	MORGAN STANLEY&CO INC PRO		202,660	200,000	199,468			.4		.4		199,472		3,188	3,188	856	06/01/2020	1FE
26884A-AX-1	ERP OPER LTD PARTNERSHIP		04/19/2010	WACHOVIA SECURITIES CAPIT		20,852	20,000	20,530			(16)		(16)		20,514		338	338		06/15/2017	2FE
320516-BD-6	FIRST HORIZON MTG TR		06/25/2010	PRINCIPAL RECEIPT		88,656	88,656	84,667			3,990		3,990		88,656			0	401	12/25/2034	12*
320516-XQ-3	FIRST HORIZON MTG TR		06/25/2010	PRINCIPAL RECEIPT		49,860	49,859	44,874	47,128		2,732		2,732		49,860			0	1,164	11/25/2035	12*
361849-MK-5	GMAC COML MTGE SECS 2000-C2		06/15/2010	PRINCIPAL RECEIPT		149,377	149,377	162,401	160,126		(10,748)		(10,748)		149,377			0	4,536	08/16/2033	1FE
381416-EU-4	GOLDMAN SACHS GROUP INC.		04/27/2010	Barclays Capital		93,680	95,000	89,414	90,541		163		163		90,703		2,976	2,976	4,230	01/15/2017	1FE
381416-FM-1	GOLDMAN SACHS GROUP INC.		04/28/2010	GOLDMAN, SACHS & CO.		46,672	45,000	47,521	47,448		(78)		(78)		47,371		(698)	(698)	1,630	04/01/2018	1FE
38141E-A2-5	GOLDMAN SACHS GRP INC MTN BE		05/04/2010	GOLDMAN, SACHS & CO.		75,399	68,000	76,945			(173)		(173)		76,772		(1,373)	(1,373)	1,150	02/15/2019	1FE
38141E-A5-8	GOLDMAN SACHS GRP INC MTN BE		04/30/2010	VARIOUS		294,263	300,000	297,297			25		25		297,322		(3,059)	(3,059)	2,163	03/15/2020	1FE
362334-CN-2	GSR MTG LN TR 2006-2F		06/25/2010	PRINCIPAL RECEIPT		176,080	176,080	168,456	168,456		7,624		7,624		176,080			0	4,274	02/25/2036	12*
406216-AW-1	HALLIBURTON CO.		05/12/2010	CREDIT SUISSE FIRST BOSTO		229,646	211,000	239,308			(10)		(10)		239,298		(9,652)	(9,652)	2,363	09/15/2038	1FE
406216-AY-7	HALLIBURTON CO.		05/10/2010	State Street Bank & Trust		537,419	439,000	545,198			(27)		(27)		545,171		(7,752)	(7,752)	5,269	09/15/2039	1FE
41162D-AF-6	HARBORVIEW MTG LN TR 2006-12		06/19/2010	PRINCIPAL RECEIPT		5,990	5,990	4,388	4,545		1,445		1,445		5,990			0	10	12/19/2036	12*



STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
416515-AZ-7	HARTFORD FINL SVCS GROUP INC.		05/05/2010	SALOMON SMITH BARNEY INC/		369,191	375,000	374,081			(4)		(4)		374,077		(4,886)	(4,886)	2,693	03/30/2020	2FE
418056-AN-7	HASBRO INC.		04/09/2010	CONVERSION		1,577,026	875,000	1,061,617	1,052,013		(3,836)		(3,836)		1,048,177		528,849	528,849		12/01/2021	2FE
45687A-AA-0	INGERSOLL-RAND GLOBAL HLDG CO.		05/05/2010	VARIOUS		746,889	650,000	713,046	147,703		(1,341)		(1,341)		711,812		35,077	35,077	24,301	08/15/2018	2FE
466247-LR-2	JP MORGAN ACCEPT 2005-A1		06/25/2010	PRINCIPAL RECEIPT		79,556	79,556	67,623	70,077		9,479		9,479		79,556		0	0	1,596	02/25/2035	12*
46625W-CU-1	2001-C1C2		06/15/2010	PRINCIPAL RECEIPT		6,776	6,776	7,174	6,868		(92)		(92)		6,776		0	0	205	04/15/2035	1FE
46625H-HL-7	JPMORGAN CHASE & CO.		04/30/2010	CHASE SECURITIES, INC.		1,027,270	933,000	1,029,084	145,951		(2,099)		(2,099)		1,026,838		432	432	31,349	04/23/2019	1FE
46625H-HQ-6	JPMORGAN CHASE & CO.		06/25/2010	VARIOUS		631,410	630,000	629,997			0		0		629,998		1,413	1,413	4,721	03/25/2020	1FE
485260-BH-5	5.647% 3/29/		05/17/2010	MORGAN KEEGAN & COMPANY L		923,356	885,712	874,641	868,441		825		825		869,266		54,089	54,089	32,094	03/29/2021	2FE
502413-AZ-0	L-3 COMMUNICATIONS CORP.		06/08/2010	BANC AMERICA SECURITIES L		216,241	215,000	214,310			2		2		214,312		1,928	1,928	567	07/15/2020	1FE
52108H-DF-8	2001-C2		06/18/2010	PRINCIPAL RECEIPT		15,633	15,632	16,629	15,800		(167)		(167)		15,633		0	0	506	11/15/2027	1FE
534187-AY-5	LINCOLN NATL CORP IND.		05/05/2010	WACHOVIA SECURITIES CAPIT		79,793	75,000	74,888	74,889		3		3		74,891		4,901	4,901	1,940	02/15/2020	2FE
55292A-AA-6	MASTR ASSET SEC TR 2007-1		06/04/2010	VARIOUS		1,589,129	2,088,438	1,827,383	1,853,264		11,924		11,924		1,865,188		(276,060)	(276,060)	52,878	11/25/2037	12*
55265K-3R-8	MASTR ASSET TR 2003-12		06/25/2010	PRINCIPAL RECEIPT		25,286	25,286	25,227	25,226		60		60		25,286		0	0	553	12/25/2033	12*
59156R-AT-5	METLIFE INC.		04/29/2010	CHASE SECURITIES, INC.		471,080	400,000	417,848	417,196		(462)		(462)		416,735		54,345	54,345	22,165	02/15/2019	1FE
617446-V7-1	MORGAN STANLEY		04/19/2010	CHASE SECURITIES, INC.		130,986	125,000	132,289			(75)		(75)		132,214		(1,227)	(1,227)	1,172	08/28/2017	1FE
61747Y-CE-3	MORGAN STANLEY		04/23/2010	MORGAN STANLEY&CO INC PRO		106,337	100,000	99,876	99,901		5		5		99,906		6,431	6,431	3,000	04/28/2015	1FE
61747Y-CG-8	MORGAN STANLEY		04/06/2010	MORGAN STANLEY&CO INC PRO		109,944	100,000	106,915	106,677		(140)		(140)		106,537		3,407	3,407	2,961	05/13/2019	1FE
61747Y-CJ-2	MORGAN STANLEY		04/13/2010	MORGAN STANLEY&CO INC PRO		99,706	100,000	99,585	99,593		9		9		99,602		104	104	3,172	09/23/2019	1FE
61747Y-CK-9	MORGAN STANLEY		04/23/2010	MORGAN STANLEY&CO INC PRO		174,724	175,000	174,930	174,931		4		4		174,935		(212)	(212)	3,226	11/20/2014	1FE
61747Y-CM-5	MORGAN STANLEY		04/08/2010	GOLDMAN, SACHS & CO.		730,635	750,000	744,990			63		63		745,053		(14,418)	(14,418)	8,823	01/26/2020	1FE
652482-BL-3	NEWS AMER INC.		06/30/2010	CREDIT SUISSE FIRST BOSTO		129,409	120,000	121,738			(10)		(10)		121,727		7,682	7,682	4,160	12/15/2035	2FE
66989H-AC-2	NOVARTIS CAPITAL CORP.		06/09/2010	CREDIT SUISSE FIRST BOSTO		356,822	350,000	348,327			70		70		348,397		8,425	8,425	2,481	04/24/2015	1FE
681919-AT-3	COUPON		06/15/2010	Tender Offer		2,500,000	2,500,000	2,503,326	2,503,123		(65)		(65)		2,503,058		(3,058)	(3,058)		06/15/2033	1FE
713448-BN-7	4.500% 1/15/		05/03/2010	BANC AMERICA SECURITIES L		255,928	250,000	256,188			(64)		(64)		256,124		(196)	(196)	3,500	01/15/2020	1FE
72650R-AR-3	L P		04/13/2010	MORGAN KEEGAN & COMPANY I		1,861,078	1,783,000	1,881,386	1,881,033		(402)		(402)		1,880,631		(19,553)	(19,553)	89,256	01/15/2037	2FE
743410-AM-2	PROLOGIS		04/20/2010	GOLDMAN, SACHS & CO.		200,778	200,000	199,530			3		3		199,533		1,245	1,245	1,413	03/15/2020	2FE
743873-AW-1	PROVIDENT FDG MTG LN		06/25/2010	PRINCIPAL RECEIPT		14,484	14,483	12,311	9,962		4,522		4,522		14,484		0	0	209	05/25/2035	12*
760759-AG-5	REPUBLIC SVCS INC.		06/22/2010	CREDIT SUISSE FIRST BOSTO		405,648	400,000	399,940			1		1		399,941		5,707	5,707	6,167	03/01/2020	2FE
771196-AS-1	ROCHE HLDGS INC.		06/08/2010	BANC AMERICA SECURITIES L		1,580,631	1,375,000	1,353,385	1,354,746		728		728		1,355,474		225,157	225,157	64,167	03/01/2019	1FE
842400-FP-3	SOUTHERN CALIF EDISON CO.		04/30/2010	CHASE SECURITIES, INC.		303,819	300,000	296,391			6		6		296,397		7,422	7,422	2,475	03/15/2040	1FE
87875U-AK-8	TECO FIN INC.		06/23/2010	CHASE SECURITIES, INC.		138,993	135,000	134,395			13		13		134,408		4,585	4,585	1,989	03/15/2020	2FE
898404-AB-4	TRUSTREET PTYS INC.		04/30/2010	Call/Redemption		1,037,500	1,000,000	1,091,250	1,064,921		(64,921)		(64,921)		1,000,000		37,500	37,500	43,542	04/01/2015	1FE
913017-BR-9	UNITED TECHNOLOGIES CORP.		06/07/2010	SALOMON SMITH BARNEY INC/		286,531	275,000	273,628			24		24		273,652		12,879	12,879	2,980	04/15/2020	1FE
92343V-AM-6	VERIZON COMMUNICATIONS INC.		06/03/2010	MORGAN STANLEY&CO INC PRO		166,484	150,000	149,219	149,322		27		27		149,349		17,134	17,134	5,922	04/15/2018	1FE
92343V-AQ-7	VERIZON COMMUNICATIONS INC.		05/05/2010	NOMURA SECURITIES INTL		2,529	2,000	1,989	1,990		0		0		1,990		539	539	92	11/01/2018	1FE
92343V-AV-6	VERIZON COMMUNICATIONS INC.		06/15/2010	VARIOUS		179,308	159,000	179,705			(97)		(97)		179,608		(300)	(300)	2,027	04/01/2019	1FE
92976W-AT-3	WACHOVIA CORP GLOBAL MTN.		06/01/2010	MATURITY		150,000	150,000	146,256	149,623		377		377		150,000		0	0	3,281	06/01/2010	1FE
92922F-W2-0	WAMU MTG CERT 2005-AR10		06/25/2010	PRINCIPAL RECEIPT		48,184	48,183	46,482	46,564		1,619		1,619		48,184		0	0	959	09/25/2035	12*
93363N-AF-2	WAMU MTG CERT 2006-AR12		06/25/2010	PRINCIPAL RECEIPT		9,801	9,800	9,029	9,053		748		748		9,801		0	0	255	10/25/2036	12*
93935P-AP-4	WAMU PTC WMALT 2007-1		06/25/2010	PRINCIPAL RECEIPT		5,641	5,641	5,254	5,270		371		371		5,641		0	0	151	01/25/2022	12*
949810-AF-5	WELLS FARGO MBS 2005-AR16		06/25/2010	PRINCIPAL RECEIPT		14,691	14,690	14,292	14,297		394		394		14,691		0	0	187	10/25/2035	12*
94982P-AA-7	WELLS FARGO MBS 2005-AR7		06/25/2010	PRINCIPAL RECEIPT		197,628	197,628	195,764	195,783		1,845		1,845		197,628		0	0	4,267	05/25/2035	12*
94983B-AA-7	WELLS FARGO MBS 2006-4		06/25/2010	PRINCIPAL RECEIPT		16,641	16,641	16,324	16,294		347		347		16,641		0	0	380	04/25/2036	12*
94980S-AQ-8	WELLS FARGO MBS 2006-9		05/25/2010	VARIOUS		3,225,417	3,349,592	3,217,702	3,210,496		16,361		16,361		3,226,857		(1,440)	(1,440)	92,252	08/25/2036	12*
94984X-AQ-3	WELLS FARGO MBS 2007-2		06/25/2010	PRINCIPAL RECEIPT		101,674	101,674	90,490	92,546		9,129		9,129		101,674		0	0	2,840	03/25/2037	12*
02364W-AS-4	AMERICA MOVIL SAB DE CV, R		05/05/2010	SANTANDER INVESTMENT SECS		140,588	140,000	139,098			7		7		139,105		1,483	1,483	778	03/30/2020	1FE
3899999 - Totals - Bonds - Industrial and Miscellaneous (Unaffiliated)						68,238,878	65,619,325	66,338,890	45,544,515	11,349	55,984	0	67,333	0	66,576,500	0	1,662,375	1,662,375	1,574,864	XXX	XXX
8399997 - Total - Bonds - Part 4						533,017,184	520,606,624	529,661,469	148,123,055	11,349	(906,877)	0	(895,528)	0	528,810,926	0	4,206,253	4,206,253	5,530,577	XXX	XXX
8399999 - Total - Bonds						533,017,184	520,606,624	529,661,469	148,123,055	11,349	(906,877)	0	(895,528)	0	528,810,926	0	4,206,253	4,206,253	5,530,577	XXX	XXX

## E05.7

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Schedule DB - Part A - Section 1  
NONE

Schedule DB - Part B - Section 1  
NONE

Schedule DB - Part D  
NONE



**STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.**

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

### Show Investments Owned End of Current Quarter

[illegible]



STATEMENT AS OF JUNE 30, 2010 OF THE Group Hospitalization and Medical Services, Inc.  
**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code

00380

NAIC Company Code

53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected.....	3,336,254	XXX		XXX	3,336,254
2. Earned Premiums.....	3,336,254	XXX		XXX	XXX
3. Claims Paid.....	2,914,253	XXX		XXX	2,914,253
4. Claims Incurred.....	2,894,348	XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing – Claims Paid Net of Reimbursements Applied (a).....	XXX		XXX		.0
6. Aggregate Policy Reserves - Change.....	.0	XXX		XXX	XXX
7. Expenses Paid.....	830,140	XXX		XXX	830,140
8. Expenses Incurred.....	830,140	XXX		XXX	XXX
9. Underwriting Gain or Loss.....	(388,234)	XXX	.0	XXX	XXX
10. Cash Flow Result.....	XXX	XXX	XXX	XXX	(408,139)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ .....due from CMS or \$ .....due to CMS